

**TRENDS IN MOBILISATION AND UNIONISATION  
IN SOUTH AFRICA AND GERMANY:  
A COMPARATIVE ANALYSIS**

**by**

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## ABSTRACT

The purpose of this study is to investigate long-term trends in the union membership of South Africa and Germany, and to highlight trends in unionisation in both of these countries over a period of time. The long-term aspect of this study differentiates it from more detailed specific studies concerned with the individual fortunes of confederations or unions. The changing fortunes of trade unions have been associated with changes in work organisation, the influence of institutional pressures, or long term changes in the economic cycle. All these factors may, of course, shape and be shaped by each other.

From a comparative perspective this dissertation determines whether the fortunes of unions are ultimately a product of the long waves of an economic cycle, or if other factors, such as variations in union/state relations, changes in the forms of work organisation and shifts in the employment market, impact upon union membership and mobilisation. It is hoped that the comparison of a transitional and an advanced economy may shed new light on the causes of union growth and decline, and the impact of specific social, legal and cultural variables thereon.

The theoretical frame of reference for this study emerged from literature pertaining to union growth and decline. This literature discusses the historical, economic and sectoral challenges that confront the identity of unions and their ability to mobilise membership within contemporary labour markets. The entire study relies heavily on primary data collected from a wide range of sources in both countries. This method facilitates the comparison and cross-checking of information, which ensures a full and balanced study. A synthesis of the facts obtained led to certain suggestions relating to the areas in which both South African and German labour organisations could adapt their agenda and interests to the changing nature of the employment market in order to avert membership decline.

The methodology of this research draws from Skopol's work which argues that social studies ought to be grounded in historical experience in order to make sense out of specific social events that occur today. The research design utilises an initial comparative historical-political analysis of the emergence of unionism in South Africa and Germany, so as to establish those factors which have, in the past, affected

union growth and decline in both countries. Thereafter, the impact of contemporary economic and sectoral trends that reoccur in the South African and German labour markets are examined and compared, in order to establish their influence on the growth or decline of union membership in both countries in the future.

This study consists of four sections. The first section comprises a historical dimension that uses Valenzuela's work relating to the political nature of labour movements to establish those factors which, in the past, have affected union growth and decline. This is done to determine whether the type of insertion of labour movements into historical national political processes, and the links formed between trade unions and political parties influences membership growth or decline.

The following three sections deal with the present challenges that may affect the unions in the future. Section Two deals with factors of economic recession (namely, poverty and unemployment) which confront trade unions in the 1990s. Hyman's Theory of Disaggregation is applied to determine if recessive socio-economic factors can account for the strength of decline of unions, as opposed to union mobilisation being purely linked to transitions between long waves of the economy as Kelly suggests. The relevance of these theories to the rise and decline of unionism in South Africa and Germany is compared and contrasted.

The third section determines whether changes to more flexible forms of work organisation and shifts in the employment market can account for the contrasting strength of the South African labour movement and the decline of the German labour movement today. The way in which these issues impact negatively upon union strength in South Africa and Germany in the 1990s is compared and contrasted, again using Hyman's Theory of Disaggregation.

The final section establishes whether or not the roles adopted by the South African and German labour movements during their confrontation with labour repressive regimes impacts upon their ability to attract union membership today, despite the constraints imposed upon unions by prevailing economic and structural uncertainties. Therefore the historicity of the South African and German labour movements, (based upon the findings of the first part of this study), is referred back to. At the same time, the reactions of the South African and German labour movements to prevailing economic and structural realities, (as examined in the second part of this research) are re-examined.

Three conclusions are reached. Firstly, regardless of their strengths or weaknesses, all labour organisations are capable of adjusting to the adverse changes taking place in contemporary employment

markets if they prove willing to advance and defend the interests of all who work, including those in the informal sector. If unions continue to neglect the informal labour market, they run the risk of being transposed by social movements that are antagonistic to trade unions or new expressions of the workforce's latent collectivism.

Secondly, in successfully playing a social movement role that led to the downfall of Apartheid in 1994, the South African labour movement has evolved as an energetic body with a dimension of recumbent militancy that attempts to adapt its identity to the changing nature of the employment market. This enables the South African labour movement to continue to attract membership despite the prevailing economic uncertainties. In contrast, forced co-operation and consensus within the German industrial relations arena since World War Two has resulted in a less dynamic union movement that lacks initiative in adapting to the changing nature of the employment market. The result is a decline in unionism.

Finally, the fortunes of unions are not, as Kelly suggests, purely a product of economic cycles. Political climates can also influence mobilisation, as has occurred in both South Africa and Germany. This implies that mobilisation is not only activated by the economic dissatisfaction of a union movement.

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## ABBREVIATIONS

### SOUTH AFRICAN ORGANISATIONS

ANC	African National Congress
BCEA	Basic Conditions of Employment Act
CNETU	Confederation of Non-European Trade Unions
COIDA	Compensation for Occupational Injuries and Diseases Act
COSATU	Congress of South African Trade Unions
EEA	Employment Equity Act (1998)
FEDSAL	Federation of South African Labour Unions
FEDUSA	Federation of Unions of South Africa
GEAR	Growth Employment and Redistribution Strategy
GNU	Government of National Unity
LRA	Labour Relations Act 1995
NACTU	National Council of Trade Unions
NEDLAC	National Economic, Development and Labour Council
NGO	Non Governmental Organisation
NP	National Party
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
NWFP	National Women on Farms Programme
PAC	Pan African Congress
RDP	Reconstruction and Development Programme
SAA	South African Airways
SACP	South African Communist Party
SACTU	South African Congress of Trade Unions
SADWU	South African Domestic Workers Union
SAMA	South African Medical Association
SAMWU	South African Municipal Workers Union
SASBO	South African Society of Banking Officials
SEWA	Self Employed Women's Association

STEE	Survey of Total Employment and Earnings
TAC	Treatment Action Campaign
TGWU	Transport and General Workers Union
TURP	Trade Union Research Project
UIF	Unemployment Insurance Fund

## GERMAN ORGANISATIONS

ADGB	Allgemeiner Deutscher Gewerkschaftsbund General Federation of Trade Unions
BDA	Bundesverband der Deutschen Arbeitgeberverbände Confederation of Employers' Associations
BDI	Bundesverband der Deutschen Industrie Federation of Industries
CDU	Christlich Demokratische Union Christian Democratic Party
CGB	Christlicher Gewerkschaftsbund Federation of Christian Unions
DAG	Deutschen Angestelltengewerkschaft German White-collar Union
DAF	Deutsche Arbeitsfront German Work Front
DBB	Deutscher Beamtenbund German Federation of Civil Servants
DGB	Deutscher Gewerkschaftsbund German Trade Union Federation
FGR / BRD	Bundesrepublik Deutschland Federal Republic of Germany
GDR / DDR	Deutsche Demokratische Republik German Democratic Republic
HVA	Hausverbundenen Arbeit Home-bound Work
NSDAP	Nationalsozialistische Deutsche Arbeiterpartei National German Workers Party

RGD	Revolutionäre Gewerkschaftsopposition Revolutionary Trade Union Opposition
SA	Sturmabteilung Nazi Police
SBD	Statistisches Bundesamt Deutschland Federal Statistical Office
SPD	Sozialdemokratische Partei Deutschlands German Social Democratic Party

#### **INTERNATIONAL ORGANISATIONS**

ILO	International Labour Organisation
OECD	Organisation for Economic Co-operation and Development
UN	United Nations

#### **GENERAL**

EU	European Union
EAP	Economically Active Population
GNP	Gross National Product
SMMEs	Small, Medium and Micro Enterprises

## CHAPTER 1

### INTRODUCTION TO THE STUDY

#### 1.1 INTRODUCTION

This dissertation investigates the nature and long-term causes of trade union growth and decline, based on a comparative analysis of South Africa's transitional economy and Germany's mature economy. The study is distinct from investigations by authors such as Lambert, Maree and Baskin, who have done more detailed specific studies of the individual fortunes of confederations or unions.

Broad critical political economy tradition links the specific nature of relations of production with wider social structures and institutions. Subject to more debate is the interconnectedness of structures and institutions and their contingent effects on each other. The changing fortunes of organised labour have been directly ascribed to changes in work organisation (e.g. the exigencies of flexibility), largely the product of institutional pressures (e.g. changes in governmental policy), or simply, long term changes in the economic cycle, and, hence in the broader capitalist economy. All these factors may shape and be shaped by each other. From a comparative perspective this dissertation explores the possible effects of these variables in turn: namely, variations in political forces, shifts in the economic cycle, changes in the forms of work organisation, and shifts in the employment market, as per the following diagram:

**Table 1.1: Variables to be Examined**

POSSIBLE INDEPENDENT VARIABLES				DEPENDENT VARIABLES
<b><u>Variations in State/ Union Relations</u></b>	<b><u>Shifts in the Economic Cycle</u></b>	<b><u>Variations in Modes of Regulation</u></b>	<b><u>Shifts in the Employment Market</u></b>	<b><u>Union Strength</u></b>
<u>E.g.</u> - Confrontationism - Social Democratic	<u>E.g.</u> - Recession (Poverty, Unemployment) - Growth	<u>E.g.</u> - Fordism - Racial Fordism - Flexibility	<u>E.g.</u> - The Rise of the Service Sector - Atypical Employment	<u>E.g.</u> - Mobilisation - Decline
<u>Theorist Applied</u> - Valenzuela	<u>Theorists Applied</u> - Hyman, Kelly	<u>Theorists Applied</u> - Hyman, Kelly	<u>Theorists Applied</u> - Hyman	<u>Theorists Applied</u> Hyman & Kelly

Valenzuela's work pertaining to the political nature of union movements, Hyman's Theory of Disaggregation and John Kelly's pioneering work on Trade Union Identity Theory and Mobilisation Theory are the principal theories utilised in this research. Each of these theories are used to explain the fortunes of the South African and German labour movement in reaction to the economic and structural realities confronting them today. The central hypothesis to be tested is whether, as Kelly suggests, the fortunes of unions are ultimately a product of the long waves of an economic cycle, or if other factors, such as variations in union/state<sup>1</sup> relations, changes in the forms of work organisation and shifts in the employment market, impact upon union membership and mobilisation.

This study consists of four broad sections. The first section comprises a historical dimension that uses Valenzuela's work relating to the political nature of labour movements to establish those factors which, in the past, have affected union growth and decline. The section examines the roles played by the South African and German labour movements during their exposure to confrontationism and 'Social Democracy'<sup>2</sup>. This is done to determine whether the type of insertion of labour movements into historical national political processes, and the links formed between trade unions and political parties influences membership growth or decline.

The following three sections deal with the present challenges that may affect the unions in the future. Section Two deals factors of economic recession (namely, poverty and unemployment) which confront trade unions in the 1990s. This section deals predominantly with the last decade, thereby covering too short a time span to include much of Kelly's work on the impact of economic waves on the mobilisation of unions. However, Hyman's Theory of Disaggregation is applied to determine if recessive socio-economic factors can account for the strength of unions, as opposed to union mobilisation being purely linked to transitions between long waves of the economy as Kelly suggests. The relevance of these theory's to the rise and decline of unionism in South Africa and Germany is compared and contrasted.

The third section determines whether changes from Racial Fordism and Fordism to more flexible forms of work organisation and shifts in the employment market can account for the contrasting strength of the South African labour movement and the decline of the German labour movement respectively. Gilton

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<sup>1</sup> The state is defined as, "the politically based and controlled institutions of government and regulation within an organised society". (Salamon, 1998:268).

<sup>2</sup> Inverted commas are used for this term in acknowledgement of the fact that the African National Congress (ANC) is not a true social democratic party, but its relations with the unions are similar to those between unions and many social democratic parties in the west.

defines Fordism in developed societies as a mode of regulation in which improvements in mass production are linked to the expansion of mass consumption. (Gilton, n.d:n.p). Until 1994, this mode of regulation applied to South Africa. But, unlike Fordism elsewhere, “both production and consumption were racially structured” thereby giving rise to the concept of Racial Fordism. (Gelb, 1991:13 in Gilton, n.d:n.p). The impact of the move from Racial Fordism and Fordism to flexibility upon union strength in South Africa and Germany in the 1990s is compared and contrasted, again using Hyman’s Theory of Disaggregation.

The fourth section focuses on the independent variable of union strength by utilising Kelly’s Trade Union Identity Theory and Mobilisation Theory. This section establishes whether or not the roles adopted by the South African and German labour movements during their confrontation with labour repressive regimes impacts upon their ability to attract union membership today, despite the constraints imposed upon unions by prevailing economic and structural uncertainties. Consequently, the historicity of the South African and German labour movements, (based upon the findings of the first section of this study), is referred back to. At the same time, the reactions of the South African and German labour movements to prevailing economic and structural realities, (as examined in the second and third sections of this research) are referred back to.

## **1.2 TRADE UNION MEMBERSHIP GROWTH IN SOUTH AFRICA AND TRADE UNION MEMBERSHIP DECLINE IN GERMANY**

A mixture of effective opposition to the Apartheid state by the liberation movement, and the perilous state of the South African economy prior to the fall of Apartheid, necessitated the recent transformation of the South African economy. (Silke, 1997:n.p). The radical socio-political changes, which include the implementation of a new democratic government<sup>3</sup>, have had a direct effect on the growth of the industrial relations arena. (Von Holdt, 1998:37). This is evident in the marked increase in union membership, the rapid growth of trade unions and an unemployment rate that continues to rise. (Bendix, 1996:ix). Within the last ten years, union membership has more than doubled and currently stands at over three million members. (Baskin, 1996:9). There has also been an upward trend in the incidence of work stoppages and strikes. (Baskin, 1998:6).

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<sup>3</sup> The term ‘government’ refers to “the political environment [that] encompasses both the means by which society organises itself in order to express and achieve its goals and aspirations of the people, and the nature of these goals and aspirations.” (Salamon, 1998:50).

A liberation movement is defined as, “ ... the regaining of the historical personality of [a] people ... it is their return to history through the destruction of the imperialist domination to which they were subjected”. (Cabral, 1980:130). Whilst the South African union movement played an instrumental role in bringing down the Apartheid state, German unions did not embody a liberation movement that opposed the National Socialist State in 1933. (Bezuidenhout, 2000:n.p; Svanemyr, 1998:n.p). Yet, German unionisation underwent a similarly rapid stage of growth after the war, when it was rebuilt afresh by the allies to act as a bulwark against any repetition of Nazism. (Jackson, 1992:42). German post war emphasis on co-operation and consensus created a favourable industrial relations climate for unions, who were rewarded with a numerically strong following. (Baglioni in Crouch & Baglioni, 1990:2; Jackson, 1992:42).

In contrast to South Africa’s rapid expansion of union membership, there has been a marked decline of union membership in Westernised countries, including Germany. (Salamon, 1998:99; LanzaLaco & Schmitter in Regini, 1994:188). Hyman argues that Western trade unions are operating in an economic market that has sharply deteriorated. (1989:xiv). Membership and influence have generally declined, particularly in blue-collar sectors. (Hyman, 1989:xiv).

Trade unions are defined as, “any organisation whose membership consists of employees, which seeks to organise and represent their interests both in the workplace and society and, in particular, seeks to regulate the employment relationship through the direct process of collective bargaining with management”. (Salamon, 1998:85). The term ‘union density’ relates to the actual trade union membership as a percentage of total union potential membership, which excludes the unemployed, self-employed and employers. (Salamon 1998:85; Farnham and Pimlott, 1995:112). The term ‘union membership’ refers to those wage earners who have joined a trade union for the purpose of maintaining or improving the conditions of their working lives. (Jackson, 1992:80).

### **1.3 CONCLUSION**

This study sets out to determine if the fortunes of trade unions are purely influenced by fluctuations in economic cycle, or if an interrelation between variations of political forces, shifts in the economic cycle and changes in the forms of work organisation play a role in union growth and decline. This research attempts to determine, by way of a comparative analysis between South Africa and Germany, how a labour friendly transitional economy and a labour friendly mature economy could be experiencing a simultaneous growth (South Africa) and decline (Germany) in their current levels of unionism.



## CHAPTER 2

### METHODOLOGY

#### 2.1 PROBLEM POSTULATION

This research examines long-term trends in union membership in South Africa and Germany. Of central importance are the variables that can account for the growth in membership of South African unions, in contrast with the decline in membership of German unions. A comparative study between a transitional and an advanced economy may shed new light on the causes of union growth and decline, and the impact of social, legal and cultural variables thereon.

The central hypothesis to be tested is whether the fortunes of unions are a product of the long waves of an economic cycle, or if other factors, such as variations in union/state relations, changes in the forms of work organisation or shifts in the employment market, impact upon union membership. A review of the literature suggests that there exist four perspectives worthy of note when addressing the topic of trade union growth or decline.

Firstly, when looking at contrasts in union growth and decline between countries from a historical-political perspective, Valenzuela postulates that the nature of labour movements are related to the unique political, economic and social atmosphere, prevalent at the point of its development. (Valenzuela in Regini, 1994:53). Variations between labour movements depend on the nature of the respective political regimes and of the parties that established links with the unions during their formative processes. (Valenzuela in Regini, 1994:53). The characteristics of their political insertion affect the ability of labour movements to apply pressure to employers and government, which in turn impacts upon the way in which today's unions tackle the currently adverse labour market conditions so as to bring about either an increase in union membership (aggregation), or a continued weakening of organised labour, (disaggregation). (Valenzuela in Regini, 1994:53; Hyman in Regini, 1994:150, 151).

Secondly, Hyman's Theory of Disaggregation argues that recession and unemployment, the emergence of atypical forms of employment and technological change are segmenting the labour market. (Hyman in Regini, 1994:150). Hyman refers to the resultant shift from collectivism to individualism as 'disaggregation'. (Hyman in Regini, 1994:150). Fragmentation amongst the organised classes is

expressed by way of intra- and inter-union conflict and a weakening of union confederations. (Hyman in Regini, 1994:151).

Thirdly, Kelly argues that employee grievances are required to inspire collective action from employees against management. (Rucht, 1991: 364). The form that this action takes depends on the identity of the union which comprises an interaction between its interests, organisation, power and agenda. (Kelly, 1997:n.p). A broad union identity allows for adaption to the changing structure of the labour market, thereby avoiding a decrease in their level of membership. (Kelly, 1997:n.p). If union identity is narrow and traditional in scope, a decrease in membership could result. (Kelly, 1997:n.p).

Finally, Kelly's work on Mobilisation Theory proposes that the mobilisation of unions is linked to economic upswings and downswings within the economy. Kelly argues that at the tail end of an upswing, employers experience declining profit rates may attempt to restore profitability by wage cuts, labour shedding. (Kelly, 1998:98). Mistrust of measures to restore profitability create employee dissatisfaction with management, which encourages the the formation a social movement and an increase in union membership, as opposed to membership decline. (Klandermans in Rucht, 1991:28; Kelly, 1997). The interrelation between Trade Union Identity Theory and Mobilisation Theory intimates that a certain type of union identity could facilitate playing a social movement role whilst, at the same time, playing a social movement role could reconstitute a certain type of identity. These two factors in turn, will impact upon union membership levels.

## **2.2 AIM OF THE STUDY**

The aim of this dissertation is to investigate the long-term trends in the union membership of South Africa's transitional economy and Germany's advanced economy, so as to shed new light on the causes of union growth and decline. Particular emphasis is placed on the effect of variations in political forces, shifts in the economic cycle and changes in the forms of work organisation on union membership growth and decline. In highlighting trends in union membership over a period of time, this work does not limit itself to a specific study of individual confederations and unions.

## **2.3 LIMITATIONS**

Salamon points out that, "A comparative approach is concerned with examining the industrial relations system *between* countries". (1998:25). Such an approach is conducted to understand not just how

countries differ, but also why they differ. (Salamon, 1998:25). Yet, the study may be interpreted as one that suggests what South African can 'learn' from the German model of industrial relations or vice versa. This train of thought ignores the fact that economic successes within a country stem from the country's own unique economic, political and social interrelationships. (Salamon, 1998:25). When these aspects are removed from their home context they may, as suggested by Bean, "lose their validity and rationale". (Bean in Salamon, 1998:25).

Weaker knowledge of German industrial relations in comparison to what was already known about South Africa required continuous effort to ensure that the study and comparison remained integrated in its approach. To quote Bean, (1995:vii), the researcher had to continually ensure that the research "remained organised around a number of central topics [so as to avoid the research taking] ... the form of a side-by-side treatment of [two] individual countries".

An initial lack of in-depth knowledge relating to German industrial relations was compounded upon by the fact that whilst learning the "nitty gritty" of German labour relations is not impossible, the time factor placed limitations on this possibility. Thus the German chapters in this research are neither as fully developed as the South African chapters, nor do they pretend to be. They serve to highlight similarities and differences, and the relevance of these similarities and differences, to the South African situation.

The amount of documentary material studied is influenced by the amount of time available to do so. (Bell, 1992:70). Access material proved problematic at times given that, regardless of which country the researcher was in, half of the research remained devoted to topics relating to the other country. Although both countries are rich in information pertaining to the home country, obtaining information relating to the other country for comparative purposes was difficult, and would have been more so without the use of internet and inter-library loans.

Cross checking of material was time consuming and intensive, as it had to be conducted with the information pertaining to one country, and then compared and contrasted with the information pertaining to the other country. All chapters, apart from chapters 4 and 7, rely on primary documents. Primary documents proved an invaluable source of data, are quickly obtainable from numerous sources and provide a wealth of up-to-date information, thereby facilitating the cross-examination of facts.

Finally, industrial relations is a constantly changing sphere, and new developments took place in both countries throughout the duration of the research. Whilst the researcher believes that comparative work

can never really be classified as 'out-dated', the danger of how quickly this can in fact happen soon became clear.

## **2.4 VALUE OF THE STUDY**

Little comparative work involving South Africa has been undertaken, although there exists a great deal of research relating to South Africa per se. By contrasting South Africa's industrial relations institutions and practices with those of an advanced economy, such as Germany, the home country, South Africa, is placed in context thereby reinforcing the notion that, "only through comparative study may one's own system be fully understood." (Adams, 1991 in Bean, 1995:5).

In revealing the variations in historical, economic and sectoral trends that impact upon union membership in South Africa and Germany today, new insights are fostered into industrial relations. This is facilitated by illustrating what is unique about the South African and German arrangements, whilst reducing what may initially appear to be acutely specific and distinctive South African or German characteristics by demonstrating their recurrence elsewhere. (Bean, 1995:8).

## **2.5 RESEARCH METHODOLOGY**

The methodology of this research is drawn from Skopol's work which argues that social studies ought to be grounded in historical experience so as to make sense of social events that occur today. (Skopol, 1984a:1). Research designs that utilise a comparative historical analysis can strive to reach conclusions by way of the juxtaposition of a limited and selected number of social events or trends. (Skopol, 1984b:378). The method of difference is suitable for comparing a number of distinct events and trends within the context of variations between sectors of union density in both South Africa and Germany. (Skopol, 1984b:378, 379).

The utilisation of this method entails isolating a number of variables, within both South Africa and Germany, and evaluating them across a chosen time period. (Skopol, 1984b:381). In this instance, political regimes into which unions were inserted at their point of development, the impact of economic recession, occupational and sectoral shifts in employment, trade union identity and the mobilisation of trade unions comprise the variables selected for examination within both countries. The time period, owing to the study being grounded in the historical experience of unions in both countries, spans a century, yet emphasis is placed on the last two decades of union activity.

Giddens argues that this method provides a basis for sociological theorising, as by referring to historical developments, a theoretical generalisation of social phenomena is made meaningful. (Smith, 1991:130). This is owing to the fact that a relationship exists between individual actions and the wider social structures and forces, which Giddens refers to as the 'duality of structure'. (Giddens, 1984:12-17). When viewed from the perspective of a dualistic relationship, it can be argued that social events today, such as the decline or growth in levels of unionisation, are the product of wider social structures and forces. It therefore becomes necessary to ascertain the impact of the wider social forces (historical experience, economic recession, social and occupational differentiation within the market place, globalisation), on the individual cases (unions in South Africa and Germany). In this way the value of applying a historical, comparative approach via 'the method of difference' is apparent.

The theoretical frame of reference for this study emerged from the existing literature on union growth and decline, the most noteworthy being the works of Regini, (1994), Valenzuela (1994) and Hyman (1989, 1994, 1997 and 1999). The work of these scholars as well as additional contributions by Waddington & Whitston (1997), Shalev (1994), Streeck (1986, 1987, 1989, 1994), Crouch & Baglioni (1990), Crouch (1977, 1982) and Müller-Jentsch (1990), who have referred to issues of growth and decline, helped to contextualise the uniqueness and changing nature of the South African and German industrial relations spheres. In addition to reviewing secondary documents published or contributed to by these authors, their more current work in the form of conference papers, reports and articles was also reviewed.

To understand the differing approaches to labour relations within differing political, social and historical milieu, the work of Farnham & Pimlott (1995), Salamon (1998) and Jackson (1992) was referred to. With specific reference to a comparative approach to industrial relations, the work of Bean (1995) proved invaluable. An insight into Trade Union Identity Theory, Mobilisation Theory and Social Movement Theory was provided by the works of Kelly (1997, 1998), Oberschall (1973), Klandermans (1991), Rucht, (1991) and Touraine (1991).

The South African situation relies heavily on primary data which keeps pace with the rapid developments that take place in this country's industrial relations arena. Apart from Webster (1984,1985), Lipton, (1986), Crankshaw, (1997), J. Natrass (1981), N. Natrass (1990), H. J. Simons, (1997), Luckhardt & Wall, (1981) and Wood (1998) who provide useful accounts of the social, political and historical background of what constitutes South Africa's present day unions, the International Labour Organisations' (ILO) declaration of 1964 concerning the policy of Apartheid proved useful in granting an insight into South Africa's historical labour law. Publications and reports relating to the impact of global issues on

South Africa were attained from the ILO, the World Economic Forum, 'The South Africa Labour Bulletin' and 'The Shopsteward'.

The South African chapters in this research were formulated by way of a comprehensive review of journal articles published in the 'The South African Labour Bulletin'. Union publications and statements were obtained from 'The Shopsteward' and The Congress of South African Trade Unions (Cosatu). Reports, unpublished documents, press statements, statistics and pamphlets, which proffered information on current developments and historical data were procured from the Department of Labour, Cosatu and the African National Congress (ANC). Extensive use of newspaper articles from South African Broadcasting (SABC), South African Press Association (SAPA), The Pan African News Agency, 'The Daily Mail and Guardian', 'The Sowetan', 'The Star', 'Sunday Times', 'The Citizen', 'The Mercury', 'The Natal Witness', 'Daily News', 'Business Day', 'Beeld', and 'Pretoria News' was undertaken to stay abreast with events in South Africa's industrial relations arena.

The German chapters of this research are based upon work which revealed the historical and social background of unions within Germany, such as that of Bergmann (1987), Crouch, (1977, 1982, 1990), Tokunaga (1987, 1992), Brandt (1987) and Streeck (1986, 1987, 1989, 1994). 'The British Journal of Industrial Relations' provided articles by authors such as Frege and Töth (1999), Müller (1997), Hassel, (1999) and Finegold & Wagner (1998) which relate to issues of German union solidarity and the nature and changes occurring within the German workplace today. The United Nations (UN) supplied articles by authors such as Sengenberger (1990) and Gross (1998), who give insight into the current difficulties facing the German industrial relations system.

Primary information was obtained from union publications. Of particular help was the bi-monthly publication 'Journal' supplied by the *Deutschen Angestellten-Gewerkschaft* (DAG); 'Metal' supplied by the union IG Metall, and publications released by the *Deutscher Gewerkschaftsbund* (DGB). Conference papers, in particular from the *Friedrich-Ebert-Stiftung Institution*, were of immeasurable assistance to all areas of the German component of the research. Government publications, statistics and newspaper articles (i.e. The *Bundesinstitut für Bevölkerungsforschung*, *Bundesministerium für Arbeit und Sozialordnung*, *Bundesministerium für Gesundheit*, *Statistisches Bundesamt Deutschland*, *Internationales Institut für Management und Verwaltung*, *Sozialdemokratische Partei* and 'Der Tagesspiegel') were used expansively.

To acquire an understanding of the dual nature of German unionism, interviews were conducted with Herr Feldmann, vice-chairman of the *Betriebsrat* (Works Council), DaimlerChrysler, Wörth, Germany. These meetings helped to illuminate the structure and functions of the *Betriebsrat*, unions and shop stewards in Germany.

## 2.6 CHAPTER PROFILE

The first introductory chapter introduces the variables to be studied and briefly outlines trade union growth in South Africa and trade union decline in Germany.

The second chapter defines the problem to be researched, outlines the aim of the study, the value of the study, the research methodology and the profile of the study.

The third chapter outlines the theoretical arguments of Valenzuela, Hyman and Kelly.

Chapter Four examines whether variations in political forces played, and continue to play a role in union mobilisation in South Africa. The chapter finds that in addition to the influence of economic cycles, political opposition to Apartheid and confrontationalist African union/State relations also encouraged the mobilisation of the African union movement.

Chapter Five examines whether variations in political forces played, and continue to play a role in union mobilisation in Germany. This chapter concludes that economic as well as political variables such as variations in political regimes and union/state relations also influenced the mobilisation of German unions.

Chapter Six aims to establish whether socio-economic factors linked to recession impact upon union strength or decline in South Africa. As opposed to weakening collective organisations, South African unions tended to aggregate as opposed to fragment under these conditions.

Chapter Seven aims to establish whether socio-economic factors linked to recession impact upon union strength or decline in Germany. The chapter finds that current adverse socio-economic factors in Germany are responsible for the disaggregation of German unions.

Chapter Eight ascertains whether variations in the mode of production and shifts in the economic market impact upon union strength or decline in South Africa. The chapter finds that the rise of the service sector

and the emergence of atypical employment have the potential to disaggregate South African unions. Variation on the mode of production, flexibility and the introduction of new technology aggregate the South African union movement.

Chapter Nine ascertains whether variations in the mode of production and shifts in the economic market impact upon union strength or decline in Germany. The chapter finds that the rise of the service sector and the emergence of atypical employment disaggregate the German union movement. Variation in the mode of production aggregates the German union movement, whilst flexibility and the introduction of new technology provide cause for potential disaggregation. The chapter concludes that in addition to transitions between upswings and downswings in the economy, variations in the mode of production and shifts in the employment market comprise an additional variable that impact upon the strength or decline of unions.

In Chapter Ten Trade Union Identity Theory and Mobilisation Theory are applied to South Africa and Germany. Trade Union Identity Theory shows how the identity of South African and German unions differ, which in turn affects their ability to continue to attract an increase in membership today. The application of Mobilisation Theory illustrates why the labour movements in both countries are suffering dissimilar fates in attracting membership despite suffering similar labour market adversities.

Chapter Eleven provides a brief summary and a conclusive comment on each of the areas examined. The overall conclusion is made that union fortunes are not, as Kelly suggests, purely a product of economic cycles. Instead variations in political contexts and in modes of production also play a role in the mobilisation of unions.



## CHAPTER 3

# THEORETICAL REVIEW

### 3.1 INTRODUCTION

In an effort to link the historical, political, economic and social segments of South Africa and Germany, (thereby placing both countries on common ground and within a theoretical context), this theoretical review will address the theories of Valenzuela and Hyman as well as Kelly's work relating to Trade Union Identity Theory and Mobilisation Theory. Each of these theories will be used to explore and account for the variations in growth and decline of union membership within South Africa and Germany. They therefore form the unitary framework or backbone of this research.

### 3.2 THE POLITICAL AND HISTORICAL ELEMENTS OF UNIONISM

Valenzuela postulates that the nature of labour movements are related to the unique political, economic and social atmosphere, prevalent at the point of its development. (Valenzuela in Regini, 1994:53).

Variations amongst unions depend on the nature of the respective political regimes and of the parties that established links with the unions during their formative processes. (Valenzuela in Regini, 1994:53).

The original consolidation of a union leadership group thus has the long lasting effect of fixing the political coloration of the labour movement as a whole. (Valenzuela in Regini, 1994:61). This implies that the long-term programmes and internal organisational structure of a labour movement cannot be understood without taking into account the political environment which impacted upon the development of employee collectives. (Valenzuela in Regini, 1994:54).

#### 3.2.1 The Confrontationist Typology

Valenzuela argues that various types of insertion of labour movements into national political processes takes place, one of which is the Confrontationist Typology. (Valenzuela in Regini, 1994:54). This typology occurs under labour repressive authoritarian regimes in which unions become the primary centre for social and political actions. (Valenzuela in Regini, 1994:89).

Most authoritarian regimes would prefer to eliminate the labour movement. (Valenzuela in Regini, 1994:89). Even so, some mechanisms are usually provided so as to allow the existing organisations to channel their grievances. (Valenzuela in Regini, 1994:89). However, these mechanisms are laced with limitations and controls which render them ineffective in protecting and enhancing workers rights and interests. (Valenzuela in Regini, 1994:89, 90). This is done to prevent the labour organisations from exerting economic pressure and political opposition to the regime. (Valenzuela in Regini, 1994:90).

A tension therefore exists between permitting these labour organisations to exist and the effort to limit their effectiveness. (Valenzuela in Regini, 1994:90). The aim behind this form of control is to weaken unions to the maximum extent. (Valenzuela in Regini, 1994:90). As a result, forms of expressing discontent on the part of labour such as strikes, are rendered as ineffective as possible. (Valenzuela in Regini, 1994:90).

Unsurprisingly, there is little worker acceptance or allegiance to the organisations that are established. (Valenzuela in Regini, 1994:90). Many opponents to the regime refuse to participate in the official structures. (Valenzuela in Regini, 1994:90). Instead, there is the attempt to group workers into parallel clandestine or semi-clandestine organisations. (Valenzuela in Regini, 1994:90). Labour leaders of these clandestine or semi-clandestine organisations must rely on rank and file support to retain their claims to leadership. (Valenzuela in Regini, 1994:90).

Valenzuela argues that in national cases in which labour movement formation has taken place under a long-standing authoritarian regime, recognition of the labour movement by the regime is usually forced to occur at some stage during the unions development. (Valenzuela in Regini, 1994:91). Additionally, labour leaders who are closely tied to parties opposing the regime tend to become important players in the politics of democratisation. (Valenzuela in Regini, 1994:91). If this process occurs and favours one moderate, political group, a transition to democracy results, leading to an approximation of the Social Democratic Typology. (Valenzuela in Regini, 1994:91).

### **3.2.2 The Social Democratic Typology**

A transition from an authoritarian regime to a democracy, can lead to a Social Democratic Typology. (Valenzuela in Regini, 1994:90, 91). Within this context, and owing to the fact that they emerged as part of the same opposition movement, links established between unions and political parties remain close. (Valenzuela in Regini, 1994:69).

The characteristics of the union movement within the Social Democratic Typology are that they have achieved a solid, plant level presence which enhances their national importance. (Valenzuela in Regini, 1994:68). They are also relatively strong, having obtained a high degree of affiliation in their respective countries. (Valenzuela in Regini, 1994:68).

Most unions are linked to a single social democratic or labour party, and there is generally only one significant union confederation. (Valenzuela in Regini, 1994:68). Both the labour leaders and the allied political parties have a political orientation that conforms to a moderate, socialist viewpoint with a reformist style of political action. (Valenzuela in Regini, 1994:69).

### **3.3 THE ECONOMIC AND SOCIAL ELEMENTS OF UNIONISM**

Hyman argues that the growing diversification within the labour market has occurred in two forms. (Hyman in Regini, 1994:150). Firstly, there has been a shift away from collectivism to individualism, which Hyman refers to as 'disaggregation'. (Hyman in Regini, 1994:150). This is reflected in declining levels of trade-union membership and/or reduced responsiveness to collectively determined policies and disciplines. (Hyman in Regini, 1994:151). Secondly, a fragmentation amongst the organised classes has taken place. (Hyman in Regini, 1994:150). This is expressed by way of intra- and inter-union conflict and a weakening of union confederations. (Hyman in Regini, 1994:151).

The process of disaggregation currently affecting unions in the West, can be linked to problems such as economic stagnation and recession, and occupational and sectoral shifts in employment. (Hyman in Regini, 1994:151; Shalev in Regini, 1994:102; Streeck in Regini, 1994:253; Waddington & Whitston, 1997:516).

#### **3.3.1 Problems of Economic Stagnation and Recession**

Hyman argues that whilst phases of economic growth create conditions in which competing interests can be reconciled, recession, in contrast, tends to increase prospects of inter-group conflict. (Hyman in Regini, 1994:152). The division created between groups within the labour market can spill over from collective bargaining into the broader political arena in which the gainers may resist social policies designed to cushion the situation of the losers. (Hyman in Regini, 1994:152). Put differently Hyman, in agreement with Therborne (1989), postulates that in a 'two-thirds, one-third society' in which the majority prosper economically whilst a large 'underclass' suffers deprivation, unions that attempt to support

progressive socio-economic programmes may find themselves at odds with more selfish constituents. (Hyman in Regini, 1994:152; Therborne 1989 in Hyman in Regini, 1994:152).

Recession has a major impact upon the structures of employment and unemployment, as reflected by the way in which high unemployment has the capacity to change the structure and functioning of labour markets. (Hyman in Regini, 1994:152). A consequence of this is the creation of antagonisms between core, peripheral and unemployed workers. (Hyman in Regini, 1994:152).

Hyman stipulates that conditions of recession and high unemployment can bring about a disaggregation of the working class. (Hyman in Regini, 1994:191, 192). This is likely to occur within a context in which the minority experience deprivation alongside an economically prosperous majority. (Hyman in Regini, 1994:191). This in turn will be characterised by the aforementioned trends in decomposition that present themselves ultimately in the form of trade union decline and fragmentation, and the weakening of confederations. (Hyman in Regini, 1994:151).

As a counter argument, Hyman points out that the uneven distribution of power and resources within society can also shape collective strength and determine the broader policy agenda embraced by aggregate labour movements. (Hyman in Regini, 1994:163). In this way, trends of recession and unemployment can bring about a renewal of trade unionism and the development of new demands in collective bargaining, new methods of organisation and action and new forms of internal democracy. (Hyman in Regini, 1994:164). This facilitates the construction of new types of encompassing and solidaristic alliances, thereby implying that disaggregation is not inevitable. (Hyman in Regini, 1994:164).

### **3.3.2 Occupational and Sectoral Shifts in the Employment Structure**

Hyman proposes that labour market segmentation is intensified by the growth of part-time, temporary and other non-standard forms of employment, as well as by flexible<sup>4</sup> policies of management which create a division between core and periphery workers. (Hyman in Regini, 1994:153; Waddington & Whitston, 1997:16, 518, 523).

Markets have become more volatile and uncertain, thus requiring firms to develop manning levels and working practices that enable them to adjust quickly to unpredictable fluctuations. (Farmham & Pimlott,

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<sup>4</sup> Streeck, defines flexibility as, "a general capacity to reorganise in close response to fluctuations in the environment". (Streeck, 1986:13).

1997:332). Labour's consequent loss of importance within the production process is offset by an increase in the importance of skilled labour. (Tokunaga, Altmann & Demes, 1992:199). The increasing internationalisation of labour markets is hence cited as a potential source of division within the labour market, and as an obstacle to effective, collective organisation. (Hyman in Regini, 1994:153; Economic Strategy, 1996:37; Crankshaw, 1997:33).

### 3.3.2.1. New Forms of Employment

The emergence of atypical forms of employment is resulting in the fragmentation of the labour market. (Esping-Andersen In Regini, 1994:147). Part-time work is generating workers removed from the values and outlooks of the labour movement. (Baglioni in Crouch & Baglioni, 1990:9; Waddington & Whitston, 1990:518, 523; Kern & Sabel in Regini, 1994:22). As this self interested and instrumental group expands, the labour force becomes increasingly marked by divergent trends. (Streeck in Regini, 1994:253).

The social composition of the workforce now includes a higher proportion in the tertiary sector with higher qualifications. (Jacobi & Müller-Jentsch in Crouch & Baglioni, 1990:128; Kern and Sabel in Regini, 1994:22; Waddington & Whitston, 1997:516). This is particularly evident in those industries enhancing and embracing the new technology that the global climate necessitates. (Jacobi & Müller-Jentsch in Crouch & Baglioni, 1990:523; Kern & Sabel in Regini, 1994:22).

Technological change can result in the alteration of managerial techniques, work organisation, raw materials and the relationship between capital, labour and the state. (Lansbury & Bamber in Bamber & Lansbury, 1989:4). Technical change is defined as the alteration of physical, "processes, materials, machinery or equipment, which has an impact on the way work is performed ... or on the efficiency or effectiveness of the enterprise". (CITCA, 1989:n.p). Technological change and the use of new technology have a significant impact on factors such as skills, work, work patterns, occupational boundaries and job design. (Gill, 1985:5).

It is argued that management is able to impose technological transformation on the workplace in order to pursue the extraction of surplus value from workers who have little or no power or knowledge to resist the demand for technological progress. (Knights & Willmott, 1993:6). From this perspective, the effect of new technology is one of an inevitable process of deskilling, degradation, labour shedding and tighter control as labour complies with capital's promotion of its 'progressive demands'. (Knights & Willmott, 1993:6).

Industrial restructuring is defined as,

“... the adjustment or conversion of production and services to cope with non-transitory, primarily qualitative changes in capital, goods and labour markets. It refers, in other words, to the adaptation of an economic unit to its environment. This unit may be the firm, an industry, a region, a national economy or even the international economy:” (Sengenberger, 1990:n.p).

The negative impact of new technology and restructuring erode the constituencies of workers from which unions have traditionally recruited. (Waddington & Whitston, 1997:515).

The introduction of new technology and industrial restructuring have created an environment in which flexible employees with extensive, polyvalent and multi-subject qualifications are emerging. (Jacobi & Müller-Jentsch in Crouch & Baglioni, 1990:149; Waddington & Whitston, 1997:516). These groups of white-collar workers tend to have a greater identification with the employer than their blue-collar counterparts and tend to prefer individual strategies to collective, organisational strategies. (Hyman in Regini, 1994:154; Waddington & Whitston, 1997:518).

Manual workers are increasingly outnumbered by the new, emergent white-collar occupational groups and, in many countries, unions have faced an uphill struggle in recruiting such workers. (Hyman in Regini, 1994:153). In most advanced economies, blue-collar workers who once formed the backbone of traditional labour movements are now a shrinking minority. (Hyman in Regini, 1994:154). The changing structure of employment thus appears to be bias against union membership and has serious implications for the overall representativeness of trade unions. (Hyman in Regini, 1994:154; Visser in Regini, 1994:32, 34; Waddington & Whitston, 1997:516).

#### 3.3.2.2. Globalisation

There are many alternative definitions of the concept of globalisation and the processes enveloped by globalisation require an explicit distinction between the key terms necessary to facilitate an understanding of the development of a new kind of internationalism. (Waterman, 1998:46). For the purposes of this study, globalisation is taken to mean,

“...a process of rapid economic integration between countries, driven by the increasing liberalisation of international trade and foreign direct investment. The process entails a number of activities which include trade between countries in goods and services,

capital flows, multinational enterprises, new production methods and networks and technology". (Hayter, 1999:58).

These developments have been stimulated by the revolution in information technology, which facilitates massive flows of capital and global dispersion. (Economic Strategy, 1996:36). It is recognised that the use of such concepts is by no means unproblematic, but it provides a general term for the complex range of trans-national forces to which labour movements in individual nations are subject.

Owing to the current trend toward globalisation, major changes have been taking place within the context of the workplace across the world. (Ray, 1997:24, 26; Trade Policy, 1996/1997:17; Salamon, 1998:25; Knights & Willmott, 1993:1). Mounting pressure on companies to increase productivity and competitiveness has given way to more flexible forms of production. (Hyman in Regini, 1994:153; Knights & Willmott, 1993:1; Ray, 1998a:63, Ray, 1997:24). For labour, the increased mechanisation entailed in flexible production brings with it turmoil and uncertainty as fewer, more skilled workers, are required. (Ray, 1997:24, 26; Collins, 1997:84).

Unskilled workers face an uncertain future with new divisions in the labour market, deskilling, falling wages and retrenchments becoming regular features of the new system. (Ray, 1997:24, 26; Collins, 1997:84; Ronnie, 1996:22). Hyman argues that such occurrences will result in a division of the labour force that will obstruct effective organisation. (Hyman in Regini, 1994:153; Crankshaw, 1997:33).

### **3.4 TRADE UNION IDENTITY THEORY**

Touraine proposes that conflictual processes play a role in creating contemporary society. (Rucht, 1991:362). Society is not founded upon its economy but instead comprises two fundamental components: historicity (the capacity to produce models by which it functions), and the class relations through which these orientations become social practices, still marked by a form of social domination. (Rucht, 1991:363).

This theory puts forward the premise that unions require an opponent (management and the employer), to link the organisation to the principle of opposition. (Rucht, 1991, 364). Employee grievances encourage collective action against management from a union. (Rucht, 1991:364). The form that this action will take is influenced by the identity of the union. The identity of a union emerges out of the interaction between its interests, organisation, power and agenda. (Kelly, 1997:n.p).

Interests can range from being narrow to broad in scope, (wages and working conditions versus training, career progression and equal opportunities), in much the same way that union agenda can be narrow or broad in scope. (Kelly, 1997:n.p). The incidence of bureaucracy or democracy within the union will determine its organisation, whilst the balance of power is reflected by methods of collective action, which can either be traditional (strike action) or contemporary in nature. (Kelly, 1997:n.p).

Kelly stipulates that for a union to effectively defend member interests and grievances, union identity must pursue a broader definition of member interests than in the past, adopt a broader agenda and use different methods of struggle that are more fitting with the contemporary balance of power within employment relations today. (Kelly, 1997:n.p). This implies that adaptation to the changing structure of the labour market will continue to secure additional membership for unions. (Kelly, 1997:n.p). If a union's identity remains too narrow in scope, it may face a decline in membership. (Kelly, 1997:n.p).

### **3.5 MOBILISATION THEORY**

There is no single theory of mobilisation. (Kelly, 1998:24). In providing an outline of Mobilisation Theory, Kelly draws from several authors such as Tilly (1978), McAdam (1988) and Gamson (1992, 1995).

Mobilisation is defined as, "the process by which a group acquires collective control over the resources needed for action". (Tilly, 1978:7 in Kelly, 1997:n.p). Kelly links the mobilisation of trade unions to long waves<sup>5</sup> in the economy. (Kelly, 1998:83). Long waves in industrial relations are marked by alternating periods of worker mobilisation and employer and state-owned counter mobilisation. (Kelly, 1998:86). For example, at the tail end of an upswing, employers experience declining profit rates and may attempt to restore profitability by wage cuts or labour shedding. (Kelly, 1998:98). This generates a sense of injustice on the part of the workers. (Kelly, 1998:98).

In looking at the ways in which individuals are transformed into a collective actor or social movement<sup>6</sup>, Mobilisation Theory is concerned with the set of conditions under which a set of individuals will come to

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<sup>5</sup> Long waves are defined as, "regular patterns of fluctuation in one or more economic indicators (usually prices, output and profit rates) synchronised across countries, with a total span of approximately fifty years, consisting of a twenty-five year 'upswing' ... and twenty-five years of 'downswing'". (Kelly, 1998:83). Upswings are defined by Mandel, "as periods of sustained economic growth with only occasional years of stagnation or decline, whilst downswings are periods of sporadic growth accompanied by more frequent and sustained bouts of stagnation or decline". (In Kelly, 1998:84).

<sup>6</sup> Although presented in two separate subsections here, as opposed to being mutually exclusive, these two approaches tend to overlap with one another, as a certain type of trade union identity will facilitate playing a social movement role, whilst playing a social movement role will reconstitute a certain type of identity.



acquire a sense of common interests, join an organisation and participate in collective action directed toward an opponent. (Tilly in Kelly, 1997:n.p). Central to the theory is the way in which employees acquire a collective definition of their interests. (Tilly in Kelly, 1987:n.p). The way in which a subordinate group believes their interests to be similar or different from the ruling group is important in this respect. (Kelly, 1997:n.p).

Essential for collective action is a sense of illegitimacy: the conviction that an event, action or situation is unjust because it violates established rules or conflicts with widely shared beliefs and values. (Kelly, 1997:n.p). Collective action can hence be explained by the existence of a grievance. (Klandermans in Rucht, 1991:24). However, within this context, the actor must be challenged by a fundamental social force in a conflict in which the general orientations of social lives are at stake: this will lead to a social movement. (Rucht, 1991:364). In this instance, it is not enough for employees to feel aggrieved; they must also feel that there is a chance that their situation can be changed. (Kelly, 1997:n.p). Injustice is thus critical for collective organisation as it initiates the process of detaching subordinate groups from loyalty to the ruling group. (Kelly, 1997:n.p).

The sense of injustice must prompt the formation of a social group with a collective interest. (Kelly, 1997:n.p). Three processes are vital in bringing this about: attribution, social identification and leadership. (Kelly, 1997:n.p). An attribution is an explanation for an event or action in terms of reasons, causes or both. (Kelly, 1997:n.p). Collective action will arise from external, controllable attributions: workers must blame management for their unhappiness and believe that management behaves in an unfair manner that could be altered. (Kelly, 1997:n.p). In attributing blame to a group such as management, employees can identify with social categories such as 'us' (the employees) and 'them' (management). (Kelly, 1997:n.p).

If social identification with these categories is achieved, and the attribution of blame to an opponent leads to collective action, leaders are required to play a role in the process of collectivisation. (Kelly, 1997:n.p). Firstly, leaders help to construct a sense of injustice amongst workers; and secondly, they promote group cohesion and identity by encouraging workers to focus on their collective interests, and by facilitating negative stereotypes of management. (Kelly, 1997:n.p). Thirdly, leaders encourage the workers to take action. (Kelly, 1997:n.p). Finally, they must defend collective action in the face of counter-mobilising arguments that it is illegitimate. (Kelly, 1997:n.p).

Unlike Hyman's Disaggregation Theory and Trade Union Identity Theory which focus on how structural factors such as the level of unemployment can impact upon trade unions, Mobilisation Theory remains

preoccupied with the reference to injustice, the role of social identity in attributing blame to management and the role of leadership. (Kelly, 1997:n.p). Rather than depicting structural factors as being of lesser importance, Mobilisation Theory emphasises that structural factors, whilst creating a more or less favourable environment for the collectivism of the workforce, do not in themselves generate a sense of injustice or identity. (Kelly, 1997:n.p). Instead, these outcomes need to be constructed by activists and other opinion formers. (Kelly, 1997:n.p).

### **3.6 CONCLUSION**

This section has reviewed those theories which are used to investigate the effect of variations in state/union relations, shifts in the economic cycle, variations in the mode of regulation, and shifts in the employment market on the dependent variable of union strength. Each of these theories are applied to South Africa and Germany in the chapters that follow.

**SECTION 1: CHAPTER 4**

**THE IMPACT OF POLITICAL VARIABLES ON SOUTH AFRICAN UNIONISM**

**4.1 INTRODUCTION**

The following two chapters focus on the effect of political variations on the mobilisation of unions, using Valenzuela’s work pertaining to the political nature of unions as a framework (described in Chapter 3, Section 3.2). The role of South African and German unions in confrontationist and social democratic settings is examined to establish whether variations in political forces played, and continue to play a role in union mobilisation in both countries. Whilst the following two chapters emphasise the effect of the political variable on the mobilisation of unions, changes in long waves in the economy are also referred to so as to ascertain if mobilisation occurs in line with shifts in the economy as opposed to changes in political forces.

As Table 4.1 indicates, this chapter, which deals exclusively with South Africa examines the effect of the independent variables (differing political regimes, African union/state relations and changes in the economic cycle) upon the dependent variable of union strength. This is done to determine what role these independent variables play in the mobilisation of unions.

**Table 4.1: A Study of the Impact of Political Variations on Union Mobilisation in South Africa**

<b>INDEPENDENT VARIABLES</b>			<b>DEPENDENT VARIABLE</b>
<b>Variations in Political Regimes to be Examined</b>	<b>Variations in African Union/ State Relations to be Examined</b>	<b>Variations in Economic Trends to be Examined</b>	<b>Variations in Union Strength to be Examined</b>
<ul style="list-style-type: none"> <li>- Early Segregation</li> <li>- Apartheid</li> <li>- Democratisation</li> </ul>	<ul style="list-style-type: none"> <li>- Confrontationism</li> <li>- ‘Social Democratic’</li> </ul>	<ul style="list-style-type: none"> <li>- Recession</li> <li>- Growth</li> </ul>	<ul style="list-style-type: none"> <li>- Mobilisation</li> <li>- Decline</li> </ul>

This chapter is not intended to give a comprehensive overview of the South African labour history. Instead it provides an outline of the emergence of the black South African unions by examining the

political context into which they were inserted at the point of their development. In this way, the effect of the changes in political forces and union/state relations upon union mobilisation is examined.

## **4.2 THE CONFRONTATIONIST TYPOLOGY : THE DEVELOPMENT OF SOUTH AFRICAN UNIONISM (1910 – 1994).**

### **4.2.1 The Establishment of a Labour Repressive Authoritarian Regime**

The South Africa born out of the 1909 South African Act saw the establishment of a new state with power concentrated in an all-white parliament. (Svanemyr, 1998:n.p; Silke, 1997:n.p; Learner.org2, n.d:n.p).

The fact that black<sup>7</sup> South Africans played no part in the founding of the Union of South Africa marked the start of a resistance to white minority political rule that waxed and waned in intensity, for a period spanning 85 years, before culminating in South Africa's first democratic elections. (Silke, 1997:n.p).

Three years after the establishment of the South African Union, the South African Native National Congress was formed in 1912, which in 1925 was renamed the ANC<sup>8</sup>. (Valentine, 1986:85, 109; Silke, 1997:n.p).

Production in South Africa was initially monopolised by European immigrants. (Webster, 1985:23). The new political structure of South Africa allowed for conditions under which this group could occupy a privileged stratum of the labour force. (Webster, 1985:23; Wood, 1998:24). Black workers had been subordinated in the late nineteenth century through colonial conquest<sup>9</sup>. (Webster, 1985:23). White workers, fearing they would be replaced by cheap labour, adopted a protectionist stance in the employment market. (Wood, 1998:24). This placed black workers in a position in which they entered wage labour on a weak and unorganised basis.<sup>10</sup> (Webster, 1985:23).

A rise of Afrikaner nationalism in the post World War Two years resulted in the victory of the Afrikaans dominated National Party (NP) in 1948. (Svanemyr, 1998:n.p; Silke, 1997:n.p). This marked the

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<sup>7</sup> The term 'black' refers to indigenous Africans.

<sup>8</sup> This party pursued moderate goals that embraced non-racism and equity. (Baskin, 1996:8).

<sup>9</sup> Numerous Masters and Servants Acts passed between 1856 and 1904 before the formation of the Union of South Africa (1909) legally defined the withdrawal of African labour power as a breach of contract and a criminal offence. (Luckhardt & Wall, 1981:n.p). These colonial remnants were consolidated without significant alteration into the Native Regulation Act of 1911. (Luckhardt & Wall, 1981:n.p). Traditionally, the hire of labour was akin to a leasing agreement, allowing employers to dismiss employees on the grounds of a personal whim if so desired. (Wood, 1998:91).

<sup>10</sup> The unskilled position of black employees was already entrenched prior to the establishment of the Apartheid regime in 1948. (Learner.org3:n.d:n.p). White governments in existence prior to Apartheid used state power to control cheap, black labour in the interests of profit maximisation and capital accumulation. (Luckhardt & Wall, 1981:n.p). The resultant structure

transition from the political system of early segregation to a confrontational setting, instigated by a labour repressive political regime. The NP's policy of protecting and uplifting the Afrikaner people<sup>11</sup> saw the formulation of an elaborate system of racial segregation, formally referred to as Apartheid<sup>12</sup>. (International Labour Organisation, 1964:1; Silke, 1997:n.p; Learner.org1, n.d:n.p).

The entrenchment of the Apartheid government marked the start of a regime which suppressed the black labour movement and ensured the subordinate position of the black worker in the industrial relations structure of South Africa. (Valenzuela in Regini, 1994:89, Silke, 1997:n.p). In this way, the National Party provides an excellent example of state intervention in the industrial relations arena, made possible by the unique Apartheid system of racial capitalism. (Luckhardt & Wall, 1981:n.p).

The Industrial Conciliation Act<sup>13</sup> (1924) marked the origins of South African industrial relations throughout Apartheid, and up until the democratic elections held in 1994. (Wood, 1998:29, 36). This Act constituted the legal foundations of state intervention in the class struggle between capital and labour last century. (Wood, 1998:29,36; Luckhardt & Wall, 1981:n.p). The Act allowed for industry level bargaining between employers and representatives of unions that were registered in terms of the act. (Wood, 1998:29, 36).

In terms of the Act, no union representing black workers could register. (Mashisi, 1996:88). Black unions were excluded from the right to strike and the right to organise. (International Labour Organisation,

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was one in which the majority of black workers constituted the unskilled labour force in South Africa, with the skilled workforce comprising white, coloured and Asian workers. (International Labour Organisation, 1964:14).

<sup>11</sup> It was primarily the Afrikaans sector of the South African population who, for the first three decades of the twentieth century, found themselves amongst the economically disadvantaged, resulting in their having to compete for employment with black workers. (Silke, 1997:n.p).

<sup>12</sup> The exact relationship between the legal system of racial domination and the changing needs of capital is subject to much debate. Radical/Marxist writers (cf. Wolpe 1972, Legassick 1974 and Milkman 1982) argue that Apartheid was a unique system of social control designed to boost economic growth and industrialisation in South Africa by the efficient assurance of an ample supply of low-wage black labour for capitalist firms. (Moll in Natrass & Ardington, 1990:73). Davies (1979, 1984) and Curtis (1984) support the notion that exceptionally vicious exploitation of cheap black labour lowered capitalists costs and led to high profit rates, high investment levels and rapid growth after 1948, and again between 1963 - 1972. (Moll in Natrass & Ardington, 1990:74). Certainly, discriminatory legislation was at times of much benefit to key sectors such as mining and agriculture. (Moll in Natrass & Ardington, 1990:74). In contrast, it is argued that there is little support for the proposition that the Apartheid system led to exceptional economic growth in South Africa after 1948 (cf. Natrass, 1981). (Moll in Natrass & Ardington, 1990:82). Reynolds (1985) points out that economic growth is a complex thing and theories which isolate any single factor as crucial to it are preliminary at best. (Moll in Natrass & Ardington, 1990:83). Instead Moll stipulates that, "South Africa should be analysed as part of the world economy. It flourishes when external conditions are favourable, and slumps when external conditions are poor ... countries like South Africa can use the international environment to their own advantage, provided they follow cunning economic policies". (Moll in Natrass & Ardington, 1990:83).

<sup>13</sup> Labour acts introduced both before and during Apartheid ensured a suppression of the black labour movement, by way of the enforced segmentation of society into socially isolated population groupings. (Bean, 1995:219; Learner.org1, n.d:n.p; Silke, 1997:n.p). The indirect effect of the Apartheid labour legislation was the channelling of the bulk of black South Africans into agricultural and manual work, thereby creating a cheap, transient, migrant labour force. (International Labour Organisation, 1964:14, Lipton, 1985:298; Crankshaw, 1997:44). In order to maintain this system, "The requirement was for union development to be narrow, sectional and therefore controllable". (Bean, 1995:223).

1964:28; Bezuidenhout, 2000:n.p). Most importantly, this Act excluded black African males from the term 'employee' thereby debarring them from participating in the official industrial relations system of South Africa<sup>14</sup>. (International Labour Organisation, 1964:29; Bezuidenhout, 2000:n.p; Luckhardt & Wall, 1981:n.p). This system offered white workers and their trade unions a range of economic benefits based on racial privilege. (Mashisi, 1996:88; Luckhardt & Wall, 1981:n.p).

#### **4.2.2 Establishing links between the Labour Movement and Political Parties**

The growth of industry during World War Two led to the increased employment and militancy of African workers. (Nattrass, 1981:287). The renewed unionisation of African workers resulted in the formation of the Confederation of Non-European Trade Unions (CNETU) whose aimed to strengthen the African mine workers' union. (Simons & Simons, 1969:512; Nattrass, 1981:287). Improved organisation, particularly of mine workers, led to a major strike by African miners in 1946 which was forcibly put down by government and troops. (Simons & Simons, 1969:512; Nattrass, 1981:287).

Owing to the political and economic threat that African unions represented to the Apartheid government, the government felt that black trade unions ought not to be encouraged. (Lipton, 1986:165).

Representation of black employees would threaten white supremacy, and African unions would threaten political stability and order on the factory floor<sup>15</sup>. (Lipton, 1986:165; Shopsteward Editors, 1995c:n.p).

Black unions were thus subjected to stringent conditions imposed by a complex legislation which granted the Apartheid government the power to weaken the unions to the maximum extent. (International Labour Organisation, 1964:15; Valenzuela in Regini, 1994:90).

The Apartheid government emphasised that strike action be outlawed, thereby supporting the notion that channels for expressing worker discontent, such as strike action, are rendered as ineffective as possible. (International Labour Organisation, 1964:77, Lipton, 1986:27; Mashisi, 1996:88; Valenzuela in Regini, 1994:90). These factors reveal a tension that was to become apparent particularly in the 1970s during the Apartheid Regime: that of permitting the black trade unions to exist, whilst at the same time attempting to limit their effectiveness. (Valenzuela in Regini, 1994:90).

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<sup>14</sup> Amendments made to the Industrial Conciliation Act between the years of 1924 and 1979 ensured the entrenchment of a dualistic and segregated industrial relations system that empowered the Minister of Labour to reserve any job on a racial basis and dissolve racially mixed trade unions. (Webster, 1985:124, Wood, 1998:29; Svanemyr, 1998:n.p).

<sup>15</sup> The South African government expressed this sentiment somewhat differently when addressing the International Labour Organisation (ILO) in 1964, arguing instead that, "it has not been found possible to fit the 'native' population living under tribal conditions and with a comparatively primitive stage of culture into the legislative pattern of trade unionism and collective bargaining". (International Labour Organisation, 1964:27).

The Native Labour Act of 1953 was passed, in the words of the then Minister of Labour, 'to bleed the unions to death'. (Lipton, 1986:27; Luckhardt & Wall, 1981:n.p). Instead of allowing legitimate collective bargaining between African workers (through their non-racial trade unions) and the employers, the Act called for works committees to be elected by the workers but restricted to the factory level only. (Lipton, 1986:27; Luckhardt & Wall, 1981:n.p). The intention behind this was that if channels were provided for the lodging of black worker grievances, black trade unions would die a natural death. (Bendix, 1996:86).

However, for state controlled initiatives to succeed, there has to be some minimal trust expressed by the workers themselves. (Luckhardt & Wall, 1918:n.p). African workers rejected works committees on the grounds that they were introduced, formed and controlled by the employers, especially at times of labour unrest. (Luckhardt & Wall, 1981:n.p). Their suspicion toward works committees is summed up by the following question put forward by a worker: "Is it feasible for a man with whom you are quarrelling to give you a gun in order that you might shoot him?" (in Davies and Lewis, 1976:67). The unpopularity of these committees is illustrated by the fact that nearly twenty years later, (1969), only 24 committees had been formed. (Lipton, 1986:166; Luckhardt & Wall, 1918:n.p).

There was a refusal by black workers and worker organisations opposed to the regime, to participate in these structures established by the government. (Valenzuela in Regini, 1994:90; Wood, 1998:59). Scepticism on the part of workers meant that little worker acceptance to the works committees was established and instead there was an attempt on the part of the black labour movement to group workers into parallel clandestine or semi-clandestine organisations. (Lipton, 1986:166; Brand in Jacobs, 1986:11; Valenzuela in Regini, 1994:90).

The development of parallel clandestine or semi-clandestine organisations did not take place without organisational difficulty. Faced by the challenges of state imposed segregation, the existing African union movement began to split<sup>16</sup>. (Natrass, 1981:287). This division led to the formation of the militant South African Congress of Trade Unions (SACTU) in 1955. (Simons, 1997:146; Natrass, 1981:287). SACTU expressed opposition to the white-dominated Trade Union Council which only admitted registered unions and therefore omitted African unions. (Simons, 1997:146; Simons & Simons, 1969:598).

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<sup>16</sup> Lipton points out that prior to 1979 African unions remained small and organisationally weak: early attempts at organising African workers tended to be top-down, with little attention given to shop floor organisation. (Lipton, 1986:175). Their organisational weakness is also reflected by the fact that the registered unions in the South Africa Trades and Labour Council (which had replaced CNETU in the 1950s) were divided on how to confront the challenge of segregation. (Natrass, 1981:287).

Valenzuela argues that the labour leaders of the clandestine and semi-clandestine organisations are forced to rely on rank and file support to retain their claims to leadership. (Valenzuela in Regini, 1994:90). This is reflected by the initial policy of SACTU which was one of grassroots organisation and shop floor militancy which attracted increasing support from black workers. (Rosenthal, 1996b:60; Webster, 1985:xii).

Efforts of worker organisation and the achievements of gains on the shop floor were focused upon, as opposed to overtly political aspirations. (Webster, 1985:xi). This laid the foundation for a national mass-based unionism which concentrated its efforts on building shop steward structures in selected workplaces. (Webster, 1985:xi, xii; Webster, 1984 in South African Review II:81). This again supports Valenzuela's argument that labour leaders rely on rank and file support to retain their claim to leadership and assist the organisation in achieving economic aspirations. (Valenzuela in Regini, 1994:90). Despite initial emphasis on grassroots organisation and shop floor militancy, SACTU increasingly developed into a body that followed a tradition of militant political unionism. (Nattrass, 1981:287).

As opposition to Apartheid grew in the 1950s, SACTU joined the Congress Alliance, headed by the ANC, and played a role in many of the political campaigns that took place in the 1980s. (Nattrass, 1981:287). This move illustrates the securing of a link between the labour movement and political opposition to Apartheid, which later was to play a major role in instituting a new democracy within South Africa. (Bezuidenhout, 2000:n.p; Valentine, 1986:111). This development echoes Valenzuela's statement that labour leaders who connect with political parties opposing the regime, tend to become important players in the process of democratisation. (Valenzuela in Regini, 1994:91). Worthy of note is that, at this stage, the ANC felt that the Apartheid system could be met and overcome with the doctrine and practice of non-violence and peaceful change. (Valentine, 1986:24, 110).

However, an attempt was made in 1960 to eliminate the labour movement (the *Swaart Gevaar* or 'black peril') by way of banning the ANC and arresting prominent SACTU<sup>17</sup> leaders. (Simons, 1997:180; Simons & Simons, 1969:625; Lipton, 1986:294; Hawthorne, 1999d:68; Valenzuela in Regini, 1994:89). The bannings reflected the government's strength and the weakness of the opposition: African organisations such as SACTU were unable to sustain mass action owing to their organisational weakness. (Lipton, 1986:302). As well as the ANC, two other banned political organisations, the South African Communist

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<sup>17</sup> The banning of the ANC had substantial impact on SACTU's operations. (Nattrass, 1981:288). Although not outlawed, much of SACTU's leadership were banned, detained or went into exile and SACTU went into rapid decline. (Nattrass, 1981:288).



Party (SACP) and the Pan African Congress (PAC), went underground to escape the 'counter-revolutionary' government machinery. (Hawthorne, 1997:72; Shopsteward Editors, 1995b:n.p).

Although the ANC and existing unionists pledged to continue the fight for black worker rights and "win back the country for all our people" (ANCd, 1968:n.p), the black worker movement in its overt form, disintegrated. (ANCd, 1968:n.p; Bendix, 1996:91; Learner.org3, n.d:n.p). After the Sharpeville Massacre of 1960, the ANC abandoned peaceful protest and adopted armed warfare as a new strategy in its liberation struggle, in association with the SACP and underground labour leaders. (Lipton, 1986:29; Valentine, 1986:25; Silke, 1997:n.p; ANCd, 1968:n.p).

#### **4.2.3 The Recognition of the Black Trade Union Movement**

With the banning of the ANC, SACP and PAC in 1960, and the subsequent decline of SACTU, a decade of little union activity prevailed<sup>18</sup>. (Wood, 1998:25). Fledgling unions remained in existence which, although primarily organising black workers, ideologically projected themselves as non-racial unions. (Morris in Nattrass & Ardington, 1990:150).

Influences on these unions included the significant role that many radical whites played in their emergence; the importance of the political tradition of non-racism; the perceived need for unity on the shop floor and the manner in which racism and ethnicity was used by the state, employers and the white unions to divide and weaken black workers. (Morris in Nattrass & Ardington, 1990:150; Lipton, 1986:341). In the early 1970s, these characteristics crystallised into three principles which became the hallmark of the new independent<sup>19</sup> trade union movement: non-racism, worker control and shop floor, plant-based organisation.

Between 1963 and 1972, South Africa enjoyed high profit rates, high investment levels and rapid growth. (Moll in Nattrass & Ardington, 1990:74). In the late 1970s, South Africa entered into a period of recession. (Brand in Jacobs, 1986:8; Crankshaw, 1997:38). By the mid 1980s South Africa was experiencing the trough of the most serious economic down-turn in its history. (Keenen in South African Review II, 1984:133; Brand in Jacobs, 1986:8). Thus the new independent trade union movement which emerged in the early 1970s, did so at the end of an upswing in the economy.

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<sup>18</sup> Lipton points out that instead of Sharpeville generating a new wave of resistance, it marked the peak of twelve years of opposition which collapsed soon after, giving the government little trouble for the next decade. (Lipton, 1986:302).

<sup>19</sup> The term 'independent trade unions' relates to the fact that these unions saw themselves as separate from the existing unions which were dominated by white workers and the state. (Maree, 1987:viii).

During the early 1970s black wages began to rise after a long period of stagnation. (Lipton, 1986:45; Hofmeyr in Nattrass & Ardington, 1990:138, Crankshaw, 1997:112). By the mid 1970s, the wage ratio between African and white wages had narrowed to its lowest point, and real white wages were falling for the first time since the 1930s. (Lipton, 1986:221; Crankshaw, 1997:12). Upward penetration through occupational levels, increasing levels of education of the workforce and foreign pressure all contributed to the increase in average wages. (Hofmeyr in Nattrass & Ardington, 1990:140).

The closing of sectoral wage gaps reflects a scarcity of labour, and suggests that the labour market was becoming more unified. (Hofmeyr in Nattrass & Ardington, 1990:140). Indeed, urban industry experienced a significant skill shortage at this time, which extended even into the area of unskilled labour. (Hofmeyr in Nattrass & Ardington, 1990:144). Given the skill shortage and the improbability of management being able to replace the entire workforce, black workers found themselves in a position of singular power. (Hofmeyr in Nattrass and Ardington, 1990:143).

In accordance with Kelly's argument, as the South African economy approached the beginnings of the economic downswing in the mid 1970s, a wave of black worker militancy occurred in 1973, which enabled the strikers to significantly improve their wages and working conditions. (Hofmeyr in Nattrass & Ardington, 1990:143; Kelly, 1998:86). These strikes added impetus to the reawakened black worker consciousness. (Luckhardt & Wall, 1981:n.p; Valentine, 1986:113; Shopsteward Editors, 1995b:n.p). The strikes occurred on an unprecedented scale in a wide variety of industries, including government and semi-government bodies. (Hofmeyr in Nattrass & Ardington, 1990:142). High growth, the demand for educated manpower and the strains induced by the constant rapid expansion of black education<sup>20</sup> under an unyielding and doctrinaire approach on the part of the authorities, triggered the Soweto uprising of 1976. (Hofmeyr in Nattrass & Ardington, 1990:143).

However, the independent unions nearly collapsed in the post-Soweto wave of depression. According to Kelly, the near collapse of the independent unions is a result of the economy entering an economic downturn, at which time counter-mobilisation strategies of employers and the state are undertaken to consolidate their power and hegemony. (Kelly, 1998:86). Nonetheless, the Soweto uprising succeeded in attracting large scale international attention to the position of the black worker in South Africa. (Lipton, 1986:29; Shopsteward Editors, 1995b:n.p; Silke, 1997:n.p). The threat of sanctions and disinvestment from overseas created a climate in which the government was forced, as Valenzuela argues, to again

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<sup>20</sup> Expansion of African education took place from the 1970s onwards: under pressure to alleviate the shortage of whites in routine white-collar jobs, the government expanded secondary education for blacks. (Crankshaw, 1997:93).

seek a medium which would permit labour organisations to exist whilst, at the same time, granting the government power to control their effectiveness. (Valenzuela in Regini, 1994:90; Silke, 1997:n.p; Shopsteward Editors, 1995b:n.p).

The result was the Wiehahn Commission which was instructed to consider a method by which black trade unions could be controlled and incorporated into the industrial relations system without creating too great a disruption. (Bezuidenhout, 2000:n.p). The Commission suggested that full freedom of association be granted to all employees regardless of race, sex and creed, and that trade unions, irrespective of composition in terms of colour, race or sex, be allowed to register. (Wood, 1998:29; Silke, 1997:n.p). The resulting Industrial Conciliation Amendment Act of 1979 introduced some important amendments to the labour relations sphere, the most notable being that unregistered unions were granted the right to register, and the term 'employee' was redefined to include all persons working for an employer. (Lipton, 1986:68; Bezuidenhout, 2000:n.p).

Bendix argues that the new act represented a step forward for South African labour relations by way of the admission that black employees could not be excluded from the machinery pertaining to all other racial groupings. (1996:96). In contrast, Luckhardt & Wall beg the question of whether, "...anyone [can] seriously believe that the black people of South Africa ... have sacrificed and struggled for over three centuries ... simply to have their democratically organised and independent trade unions 'registered' and hence controlled by the repressive state industrial relations machinery?" (1981:n.p). Instead, Luckhardt & Wall argue that the reforms introduced by the Wiehahn Commission reveal a strategy designed to make oppression more efficient and social control within the Apartheid state more effective and complete. (1981:n.p). Irrespective of the perspective adopted, this move echoes Valenzuela's sentiment that when labour formation occurs under a long-standing authoritarian regime, (the Apartheid Regime had, by this stage, been in power for 31 years), recognition by the government of the labour movement is usually forced to take place at some stage in the unions development. (Valenzuela in Regini, 1994:91).

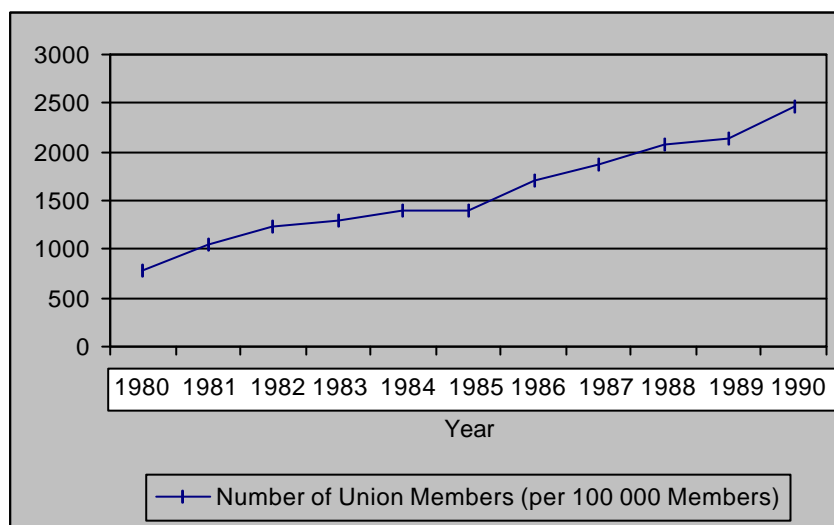
The 1979 Wiehahn reforms were followed by the rapid growth of the new union movement new union movement which concentrated its efforts on unskilled and semi-skilled workers, and by widespread industrial unres<sup>21</sup>. (Lipton, 1986:170; Lipton, 1986:340). Total union movement, discounting unregistered

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<sup>21</sup> Nattrass argues that the growth of African unions was not due to legal reform alone, but was influenced by two other factors. (1981:300). Firstly, these unions experienced very little difficulty in recruiting members owing to their wide leadership base and their reliance on shop steward organisation. (Nattrass, 1981:301). The general political consciousness among black people comprises the second factor. (Nattrass, 1981:301).

unions, grew by just over 1.5 million employees between 1980 and 1990 (See Table 4.2). (Webster, 1985:xi; Webster, 1984 in South African Review II:80; Bendix, 1996:98). Most members represented the black employee group in answer to the call by way of ANC underground documents, to demonstrate support for the worker struggle. (ANCb, 1976:n.p). In this way, consensus and support became the resource that the working class could contribute to the political movement. (Pizzorno, 1978 in Hyman, 1997:320).

**Table 4.2: Membership of Registered Trade Unions, 1980 – 1990.**



Source: Department of Manpower Annual Reports, 1980 – 1990.

#### 4.2.4 Labours' Role in the Politics of Democracy

In the 1980s “concentration on organising and wage bargaining, the decentralisation of authority and power within organisations along with the overwhelming impulse to unite against Apartheid found concrete expressions in the principles of worker control, democracy, accountable leadership and open debate”. (Ray, 1998e:67). Improved methods of organisation and mobilisation rendered the state ineffective in arresting the significant increase in strike action. (Webster, 1984 in South African Review II:80).

Increased sophistication on the part of the unions saw an expeditious ascendancy of the industrial relations arena by the new unions that emerged in the 1980s. (Webster, 1984 in South African Review II:80). The growing numerical strength of these organisations, their daily access to rank and file members and their location in strategic sectors of the economy, such as manufacturing, mining and transport industries, allowed them to mobilise effectively around economic aspirations. (Webster, 1985:xi, xii; Webster, 1984 in South African Review II:88; ANCc, 1976:n.p; Wood, 1998:36). Achievements for these

unions during 1980 and 1990 came via a large number of strikes and mass stay-away's, (sometimes involving up to three million people), that took place amidst several state of emergencies being announced and extreme opposition from the Apartheid government. (Valentine, 1986:111; ANCa, 1977:n.p; Svanemyr, 1988:n.p; Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995c:n.p; Luckhardt & Wall, 1981:n.p).

In this climate trade union growth continued to develop along side political protest movements. (Valentine, 1986:115; Valenzuela in Regini, 1994:89, 91). As the legitimate voice of the working class, trade unions found themselves in a politically prominent position. (Silke, 1997:n.p). The worker movement started to realise that a real possibility existed for it to imprint its demands and perspectives on the South African social and political processes. (Hindson, 1984 in South African Review II:105). This set the context for a number of unity talks that took place between labour leaders and underground political organisations in the early 1980s. (Shopsteward Editors, 1995b:n.p).

After its establishment in 1985, the Secretary General of Cosatu continued to meet and liaise with the underground bodies of SACTU (who despite awkward relations, merged with Cosatu in 1990) and the ANC in order to discuss the role of the working class in the political struggle for national liberation. (Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995e:n.p; ANCc, 1976:n.p; Bezuidenhout, 2000:n.p). Although representing less than half a million members at inception, support of Cosatu's labour and political aspirations resulted in a membership that had increased to 924,000 members by 1990. (Shopsteward Editors, 1995b:n.p). This marked the establishment of the trade union movement, and particularly Cosatu, as a formidable power bloc that adopted a central role in opposing the Apartheid government, by way of encouraging the political struggle for democracy. (Shopsteward Editors, 1995a:n.p; Wood, 1998:25, Bendix, 1996:99).

#### **4.2.5 The Transition to a Social Democratic Typology**

The increasing power of the unions, an ailing economy, international isolation and continuing endemic unrest fragmented the Apartheid edifice, thereby signalling the start of a transition to a social-democratic context. (Van Der Watt in Jacobs, 1986:56; Silke, 1997:n.p; Learner.org3, n.d:n.p). The then leader of the NP, F. W. De Klerk, unbanned the ANC, SACP and PAC in February 1990. (Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995b:n.p; Svanemyr, 1998:n.p; Bezuidenhout, 2000:n.p).

In May of the same year, the Tripartite Alliance comprising the ANC, SACP and Cosatu was established under the political leadership of the ANC, thereby securing the link between the labour leaders and political parties established since the inception of Apartheid in 1948. (Shopsteward Editors, 1995b:n.p; Bezuidenhout, 2000:n.p). The establishment of the Tripartite Alliance illustrates that the worker struggle on the shop floor could not be separated from the wider political struggle for the liberation of South Africa. (Shopsteward Editors, 1995d:n.p).

In its first democratic elections in April 1994, South Africa made a relatively peaceful transition to a democracy. (Tyson, 1996:26; Nondwangu, 1996:6). This saw the ANC, supported and bolstered by Cosatu and the SACP, take over as the majority party in the new Government of National Unity (GNU). (Shilowa, 1997b:73; Tyson, 1996:26; Cosatu, 2000:n.p; Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995d:n.p). This transition to a democracy resulted in labour leaders becoming important players in the process of democratisation. (Valenzuela in Regini, 1994:91).

### **4.3 THE SOCIAL DEMOCRATIC TYPOLOGY: SOUTH AFRICA FROM 1994 TO TODAY**

#### **4.3.1 Close Links between Labour and Political Parties**

As illustrated in the previous section, Cosatu and the ANC emerged in South Africa as part of the same opposition movement against Apartheid. (Valenzuela in Regini, 1994:69). The April 1994 elections served to formalise the link already established between the ANC and Cosatu during the Apartheid era, which remains close, albeit problematic to this day. (Shilowa, 1997b:73; Tyson, 1996:26; Cosatu, 2000:n.p; Shopsteward Editors, 1995b:n.p).

The Alliance between the ANC, SACP and Cosatu for the most ensures government's support of Cosatu and enables Cosatu to form agreements with the government over labour policies with relative ease. (Buhlungu, 1997:71). Yet there also exists the argument that the ANC has been increasingly drawn into the orthodox of economic policies of business which run diametrically opposed to Cosatu's Reconstruction and Development Programme (to be discussed in more detail in the following paragraphs). (Harvey in the Mail and Guardian, 2000a:n.p; Webster & Adler in the Mail and Guardian, 2000a:n.p).

Conflict has arisen over the government's macro economic strategy (GEAR) which Cosatu, the SACP and the South African Municipal Workers Union (SAMWU) argue has contributed to poverty in the country and thousands of job losses. (City Press, 2000a:2). While Cosatu points to job losses which have had a

negative effect on union members and numbers, the SACP points out that the poor and working class are not experiencing the promised better life for all. (The Citizen, 2000b:12). Harvey argues that the divide created by fundamental differences between the ANC and Cosatu over economic policy is serious enough to make the Alliance difficult to sustain<sup>22</sup>. (Harvey in Mail and Guardian, 2000a:n.p).

In addition, the required economic growth is not occurring because investment has not met expectations. (The Citizen, 2000b:12). One view is that market hesitancy persists because of perceived ambivalence; "When a Minister announces the mere outlines of privatisation plans, or minor changes to the labour laws, the unions and the SACP, who are partners in the government, unleash intemperate rhetoric about 'blood on the streets'". (The Citizen, 2000b:12). In contrast to the view that trade unions are the main obstacle to foreign investment and a new growth path, Webster & Adler argue that a better solution for South Africa's dilemma is not a limitation on democracy, but increasing the incentives for discontent to be processed through the hard-won democratic institutions. (Webster & Adler in the Mail and Guardian, 2000a:n.p).

#### **4.3.2 Characteristics of Social Democratic Unions**

Social Democratic unions have achieved a solid, plant level presence which enhances their national importance, and are relatively strong, having obtained a high degree of affiliation in their respective countries. (Valenzuela in Regini, 1994:68). With regard to the establishment of a plant level presence, the success of the labour movement against Apartheid during the 1980s was linked to the importance they placed upon building shop floor organisation. (Shilowa, 1997a:24). Effective plant-based organisation was learnt from the mistakes of SACTU: organisational weakness and the inability to make headway as a federation in the 1950s. (Morris in Nattrass & Ardington, 1990:150).

Despite being in exile, SACTU continued to play a role in the anti-apartheid struggle. (Bezuidenhout, 2000:n.p). At this stage, union leaders began to realise that the Apartheid state could not be brought down through a narrow workplace focus, irrespective of the militancy implemented. (Lambert, 1998:73). As proposed by Touraine, this fact encouraged collective action on the part of the labour movement who

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<sup>22</sup> Harvey points out that Cosatu's resistance to the ANC's programme of GEAR, a programme which is blatantly anti-working class, creates a situation in which there is currently no programme upon which the Alliance is based. (Harvey in the Mail and Guardian, 2000b:n.p). Yet, Cosatu General Secretary, Vavi, argues that Cosatu remains part of "the revolutionary democratic Alliance" headed by the ANC. (Vavi in Bell, 2000:n.p). Although the Alliance promotes macroeconomic policies which Cosatu condemns as "disastrous", Vavi maintains that it is "tactically and strategically necessary" for Cosatu to remain a member of the Alliance. (Vavi in Bell, 2000:n.p; Jones, 2000:15). But critics within Cosatu claim this is leading to a form of slow suicide for the leading federation, and will have a severe and deleterious effect on the movement as a whole. (Bell, 2000:n.p).

aimed to implement their central values against the interest and influence of their enemy: the Apartheid state. (Touraine, 1991:389). In this way, South African unions emerged as a social movement that attached itself to a specific local campaign: the anti-Apartheid struggle. (Bezuidenhout, 2000:n.p).

Consequently, the new union movement that emerged during the 1980s focussed on laying the foundations of national, mass-based unionism within the core industries of manufacturing, mining and transport. (Webster, 1985:xi). The most important feature of the emerging unions was their concentration on building shop steward structures in selected workplaces. (Webster, 1985:xii). Shop stewards came to represent both leaders and negotiators at the workplace and were the cornerstone of the unions organisational structures. (Wood, 1999:1).

The effect of this organisation was an increase in numerical strength, daily access to rank and file members and a location in strategic sectors of the economy, which allowed the trade union movement to mobilise effectively. (Webster, 1985:xii). The resultant increase in strike action during the 1980s saw many employers conclude recognition agreements with unions at plant level. (Wood, 1998:31). As the plant level influence of unions increased, plant level bargaining soon became a feature of the South African system of industrial relations. (Bendix, 1996:97).

In 1994, the election of the GNU granted Cosatu the ability to represent the working class that brought it to power. (Shopsteward Editors, 1995a:n.p). Yet, in becoming part of a bureaucratic state machinery, Cosatu could lose one of its greatest strengths: its shop floor power, insistence on worker control and democracy, and the close relationships between members and leaders. (Shopsteward Editors, 1995a:n.p; Nelan, 1999:50).

This threat is in fact supported by the well documented decline in union democracy and worker control that is taking place. (Ray, 1998e:65). A merger programme, (adopted at the launch of Cosatu), which aimed at achieving Cosatu's principle of 'one union, one industry' did incorporate organisational and bargaining benefits for the confederation, and led to a significant change in the size and character of the Cosatu affiliates. (Shopsteward Editors, 1995e:n.p). The increase in diversity of interests entails greater difficulties in formulating common goals and mobilising members in support of common demands. (Ray, 1998e:68).

Ray questions whether a bigger organisation translates to a stronger organisation. (Ray, 1998e:70). The centralisation of union organisation can result in less rank and file involvement in decision making, which



has negative implications for worker control and democracy. (Ray, 1998e:69, 70). In this way, mergers present the danger of forging centralised structures without rationalising the basis for unity and consolidating grassroots organisation. (Ray, 1998e:70).

There is evidence that Cosatu's emphasis on shop floor organisation is weaker than it was prior to the 1994 elections. Historically, union power derived from close interaction between leaders, shop stewards, and rank and file. (Webster & Adler in the Mail and Guardian, 2000a:n.p). However, the relationship between leadership and base is being diluted by the emergence of an alternative set of associations, between union leaders and the new economic and political elite. (Webster & Adler in the Mail and Guardian, 2000a:n.p).

Even so, Cosatu's tradition of emphasising strong shopfloor organisation, a strong federation, a strong shopfloor presence and high capacity for solidarity action on the shopfloor, has helped to maintain the strength of the union movement, and, as mentioned, has resulted in a steady increase in membership. (Shilowa, 1997a:24; Filita, 1997:36, 37; Cosatu, 2000:n.p; Webster & Adler in the Mail and Guardian, 2000b:n.p). Although recent estimates suggest that Cosatu is starting to lose membership, Cosatu presents itself as one of the fastest growing trade union movements in the world by international standards. (Cosatu, 2000:n.p; Bell, 2000:n.p). Membership which had expanded by half a million workers prior to the elections in 1994, continued to increase after the elections by an additional 800 000 members, leaving the confederation with a membership that represents over two million workers today. (Cosatu, 2000:n.p).

#### **4.3.3 Political Policies of Reform**

As illustrated in the previous sections, it can be argued that the ANC represents the single 'social democratic'<sup>23</sup> or labour sympathetic party that unions have aligned themselves with.

A major reform of the industrial relations sector was initiated by the GNU with the adoption of the new Labour Relations Act (LRA) in 1995. (Wood, 1998:xv). In contrast with all previous labour legislation, union organisational rights are clearly defined and union recognition is virtually automatic after an initial threshold has been passed. (Baskin and Satgar, 1995:53). The Act necessitates that a transformative approach be undertaken by unions who must cease to regard the government as the 'enemy' and instead

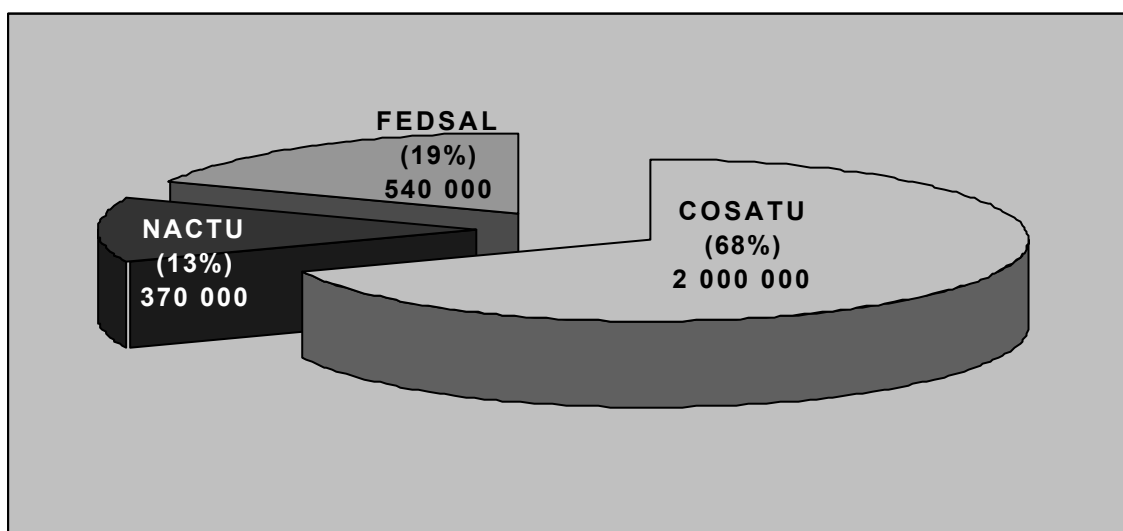
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<sup>23</sup> Inverted commas are used for this term in acknowledgement of the fact that the ANC is not a true social democratic party, but its relations with the unions are similar to those between unions and many social democratic parties in the west.

focus on examining the broader notion of membership, understanding why workers join unions in the post-Apartheid era, and how to expand their membership beyond a blue-collar core<sup>24</sup>. (Baskin and Satgar, 1995:54).

As illustrated in Table 4.3, there exist three major federations in South Africa: Cosatu with over two million members, 1.8 million of which are paid up; the National Council of Trade Unions (NACTU) with 370 000 members, and FEDUSA<sup>25</sup>, the Federation of Unions of South Africa with 540 000 members. (Cosatu, 2000a:n.p; Tyson, 1996:38). Like Cosatu, NACTU mostly organises blue-collar workers. (Bezuidenhout, 2000:n.p). Originally comprising white, public sector workers, FEDSAL merged with several other unions to form FEDUSA in 1997 and succeeded in expanding its membership among black employees. (Bezuidenhout, 2000:n.p).

**Table 4.3: South Africa's Major Union Confederations.**



Source: Bezuidenhout, 2000:n.p

The incidence of membership places Cosatu as the largest confederation which currently boasts 18 affiliated unions. (Cosatu, 2000:n.p). This and the fact that Cosatu played a major role in drawing up a new constitution after being elected as an alliance partner to the ANC and SACP in the NGU, makes

<sup>24</sup> However, it is worth noting that there have recently been talks of revisiting the LRA with a view to further deregulation. (Harvey in the Mail and Guardian, 2000b:n.p). The result has been the call for the resignation of the Minister of Labour, Membathisi Mdladlana by one of Cosatu's affiliates, the National Union of Mineworkers (NUM). (Sunday Times, 2000b:1). NUM argues that Mdladlana's proposed amendments to the LRA, which include the scrapping of overtime pay for Sunday work, will drag South Africa back to the master and servant type of labour relations and erode the gains made by organised labour over the past two decades. (Sunday Times, 2000b:1). NUM spokesperson, Molebatsi, argues that, "The proposed amendments will victimise workers. [Mdladlana's] approach ... is pro-business. We are really disappointed, especially considering his background as a unionist". (Sunday Times, 2000b:1). This was followed by the threat made by Vavi, Cosatu General Secretary, that Cosatu will implement mass action to oppose the amendments which represent the worst attack on workers rights since President P. W. Botha attempted to amend the LRA in 1988. (Sunday Times, 2000b:1).

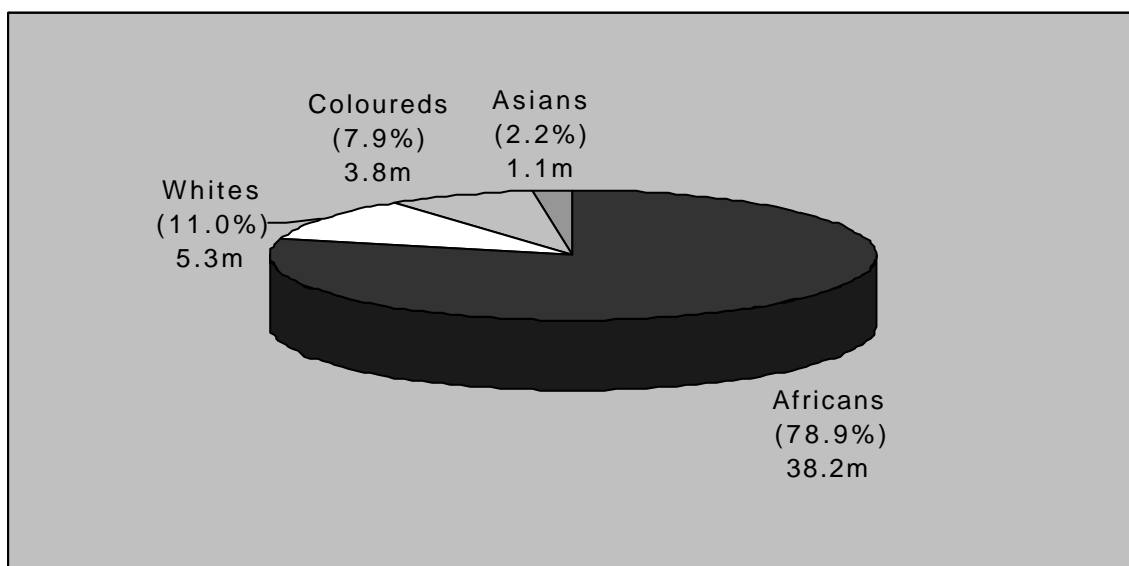
<sup>25</sup> Originally named FEDSAL, the Federation of South African Labour Unions

Cosatu the most significant confederation in South Africa. (Cosatu, 2000:n.p; Tyson, 1996:38; Bezuidenhout, 2000:n.p).

Although Cosatu's stance is not wholly moderate and reformist, this has been the trajectory that has been followed in practice. Cosatu has a strong socialist objective, expressed by its belief in a democratic society in which the workers have full control of their lives. (Zuma, 1995:2). Its political policy is to do away with all forms of oppression and exploitation which embraces freedom from racism, sexism and the exploitation of the working class. (Cosatu, 2000:n.p). In addition, Cosatu follows a socio-economic policy based on the need to eliminate economic inequalities and poverty in society and the workplace. (Cosatu, 2000:n.p).

The black sector of the population, which at 78.9% represents the largest sector, is currently the most impoverished sector in the South African society (See Table 4.4). (Tyson, 1996:13, Nelan, 1999:46). Socialist ideals of eliminating social inequalities by way of full employment, free education and medical care, state social insurance and genuine democracy, continues to draw support from the 'previously disadvantaged'. (Bhila, 1996:2; Hawthorne, 1999c:59; Bethlehem, 1996:57).

**Table 4.4: Population Profile of South Africa, 2000.**



Source: Development Bank of Southern Africa in Tyson, 1996:13.

The South Africa labour market includes a secondary labour market in which workers engaged in atypical employment enjoy very little union protection. (Horn, 1997:90). The informal sector (34% of the national labour force) remains unorganised thereby leading to the criticism that organised workers are privileged

labour market insiders. (Crankshaw, 1997:30; Buhlungu & Webster, 1998:51). Although conservative policies behind the government's broad economic framework have produced positive responses from investors and business, they have meant little to those who fall outside the formal sector of the economy – the unemployed, the indigent, and the aged. (Mail and Guardian, 2000a:n.p).

This has led Cosatu to argue that despite victories in the political arena, the economy is still largely in the hands of a privileged minority. (Shopsteward Editors, 1996a:n.p). Cosatu's Reconstruction and Development Programme (RDP), adopted as part of the new constitution in 1994, embodied an integrated socio-economic and political programme that had a people centred approach. (Gotz, 1996:11; Shopsteward Editors, 1996b:n.p). The RDP placed the challenge of meeting basic needs at the centre of economic growth and development. (Shopsteward Editors, 1996b:n.p; Shopsteward Editors, 1995d:n.p).

Bond argues that possibilities for a "people-driven" RDP were undermined by a style of technocratic decision-making endorsing market-driven expansion and corporate profitability as keys to economic growth and social delivery. (Bond in Barchiesi, 2000:n.p). The other side of the coin of macro-economic conservatism is represented by a persistent "uneven development" marked by huge areas of local, social, gender and racial exclusion as a legacy of a growth path oriented to the financial profits of a limited minority. (Bond in Barchiesi, 2000:n.p).

Upon replacing the RDP with GEAR in 1996, the ANC placed greater emphasis on the economic reconstruction of the country. (Bond, 1996:23, 30). This has led to a scenario in which the ANC needs to ensure that its rank and file are not alienated by the market-orientated economic policies, which the movement, historically inclined toward socialism, has increasingly embraced since it took power. (Business Day, 2000k:7). Bond believes that in order to maintain the support of Cosatu, the ANC has ultimately expropriated from progressive forces even the words and concepts to define social change. (Bond in Barchiesi, 2000:n.p). Bond therefore defines the current government as one which is "talking left, acting right". (Bond in Barchiesi, 2000:n.p).

#### **4.4 THE STRUCTURE OF SOUTH AFRICA'S LABOUR MOVEMENT**

##### **4.4.1 The Long-term Programme of Cosatu**

Cosatu is based on five core principles: non-racism, worker control, paid-up membership, international worker solidarity and "one union, one industry; one country, one federation". (Cosatu, 2000:n.p). The

long-term strategic programme of Cosatu is to improve the material conditions of members and working people as a whole, organise the unorganised, and ensure worker participation in the struggle for peace and democracy. (Cosatu, 2000:n.p).

The content of these core principles and objectives make evident the fact that they have been shaped upon by the political environment prevalent during the Apartheid regime which made a concerted effort to entrench the disorganised position of black labour by suppressing and subordinating the working class. (Silke, 1997:n.p).

#### **4.4.2 The Structure of Cosatu**

Upon its inception in 1985, Cosatu represented 450,000 paid-up members organised into 33 unions. (Shopsteward Editors, 1995e:n.p). As mentioned, Cosatu's merger programme has led to a significant change in the size and character of Cosatu affiliates and enables Cosatu to boast 19 affiliated unions that are spread over 13 industrial sectors. (Shopsteward Editors, 1995e:n.p).

However, Ray points out that the thrust of Cosatu toward bigger unions has also seen the growth of the complexity of membership along with degrees of organisational lassitude. (Ray, 1998e:69). Cosatu's drive to incorporate white-collar workers in unions such as the South African Society of Banking Officials (SASBO) necessitates that the industrial unions operate across more occupational groups. (Ray, 1998e:67). Macun argues that this, "...encourages a shift away from narrowly defined categories of workers and workplaces to representing a cross section of workers within broadly defined industrial sectors". (Macun in Ray, 1998e:68).

Yet, declining levels of participation in union structures and a widening chasm between leadership and members is coupled with growing rank and file dissatisfaction and has fuelled the formation of a number of breakaway, rebel and splinter unions. (Ray, 1998:68). In its 6<sup>th</sup> National Congress Cosatu admits that, "Tensions ... in some cases [have] led to deep divisions. These have in turn ... [led] to internal strife, back-stabbing, destructive cliques and criticism". (in Ray, 1998e:65).

Despite these internal tensions, Cosatu remains the largest federation within South Africa, and also the most diverse, with affiliate unions in manufacturing, the female dominated service sector, mining, agriculture, the public sector and parastatals. (Shopsteward Editors, 1995e:n.p; Nyman, 1996:30). The location in strategic sectors of the economy is a continuation of the strategy adopted by Cosatu in the

1980s: that of developing mass-based unionism within core industries, so as to enable effective mobilisation against the Apartheid regime. (Webster, 1985:xi, xii).

#### **4.4.3 The Continued Emphasis on the Shopfloor**

During Apartheid, shop stewards became the pivot of the organisational structures of the black labour movement. (Webster, 1985:xii). This area of emphasis is evident in Cosatu today, and is embodied by the organisation's leadership. (Cosatu, 2000:n.p). Based on the principle of worker control, leadership is drawn from the shopfloor, with all of the worker leaders occupying positions of full-time shop stewards. (Cosatu, 2000:n.p).

Whilst Cosatu emerged as a voluntary association of workers who saw some benefit in acting collectively, their historical success and consequent institutionalisation have brought about a complicated leadership situation. (Boxall & Haynes, 1997:570). As Cosatu's membership grows and its structure becomes more bureaucratic, there exists the concern that the confederation's principle of worker control is in danger of being eroded and replaced instead with bureaucratic and centralised unionism. (Thobejane, 1996:14).

Should this occur, an erosion of shopfloor democracy upon which the union movement was built, as well as a decline in shopfloor militancy, would take place. (Ronnie, 1996:25). So as to avoid this outcome, it is argued that the culture of militancy must be maintained so as to preserve the principle of worker control. (Thobejane, 1996:15). Workers argue that whilst the labour organisations are strong, the danger of too large or too weak an organisational structure means that workers must have both commitment and responsibility. (Simon, 1995:11; Gomomo, 1995:17).

Consequently, the role of the shop steward continues to play as central a role in worker organisation today, just as it did during the Apartheid regime. (Shilowa, 1997a:25). Cosatu still focuses today on building the capacity of the shop steward so that they are equipped with knowledge that will enable them to engage, analyse and mobilise around the long-term programmes of the federation. (Gomomo, 1995:17; Thobejane, 1996:14).

Emphasis is placed in having a broad economic and social policy that workers can fight for and defend. (Shilowa, 1997a:29). The role of the shop steward remains that of ensuring that it can mobilise Cosatu's members around such a policy and, in doing so, ascertain that Cosatu remains a viable organisation. (Shilowa, 1997a:24, 29). The confederation calls on workers to remain vigilant so as to ensure that

opportunists do not abuse the system and undermine hard won battles. (Worker News, 1996:8; Gomomo, 1995:17). Militancy remains a feature of the labour movement, reflected by way of the militant stance of many of the newly elected shop stewards and the high incidence of strikes that continue to take place in South Africa. (Rosenthal, 1996b:60; Baskin & Grawitsky, 1998:6).

#### **4.4.4 Collective Bargaining**

As Valenzuela argues, the fact that centralised bargaining remains the preferred method of bargaining amongst the unions in South Africa, relates to the workplace climate developed by the Apartheid regime. (Ray & Toerien, 1995:16). Owing to the disorganised position of the workers under Apartheid, unions found that collective bargaining was effective in combating the division amongst workers, sustaining solidarity at company, sectoral and industry levels and in building solidarity. (Rosenthal, 1996a:64, 65; Ray & Toerien, 1995:16).

A minority view in the unions is opposed to centralised bargaining, believing that it can lead to long-term compromises with capitalism. (Rosenthal, 1996a:64). Nevertheless, centralised bargaining remains the preferred method of collective bargaining amongst the unions as it allows unions to retain an industry-wide say whilst, at the same time, enabling unions to employ their resources more effectively. (Wood, 1998:45, 46). Centralised bargaining provides the advantage of bridging the wage gap, concentrating union resources and making it possible to deal with industry policy and industrial restructuring. (Ray & Toerien, 1995:16).

#### **4.4.5 Membership Profile of Cosatu**

At the launch of Cosatu, membership consisted largely of male African manual workers employed in the private sector despite the confederation's principle of representing a non-racial and non-sexist character. (Shopsteward Editors, 1995a:n.p). To redress these imbalances, Cosatu resolved to enable female members, in the female dominated service sector, the rural sector and the public sector to advance within the federation. (Nyman, 1996:30; Shopsteward Editors, 1995a:n.p).

This resulted in the successful increase of the number of women joining trade unions and the installation of a female vice-president. (Nyman, 1996:30). As increasing numbers of workers joined Cosatu, the racial composition, whilst remaining majority African, began to reflect more closely South Africa's working class population. (Shopsteward Editors, 1995a:n.p).

Alongside the changing racial and sectoral composition of the membership there has also been an increase in white-collar membership, yet this has not taken place without difficulties. (Shopsteward Editors, 1995a:n.p). Although the proportion of white-collar workers is increasing (approximately 37% of Cosatu's membership now belongs to professional unions), the federation's policies tend to remain rooted within its traditional blue-collar constituency<sup>26</sup>. (Ray, 1998f:34). The attempt to combine old organisational forms with new workers could sharpen divisions within the organisation and lead to friction among different workers thereby destroying the unity that Cosatu is aiming at building. (Ray, 1998f:37). To avoid this, Cosatu needs to adapt its structures and style of organisation to the diverse interests of its changing constituency<sup>27</sup>. (Ray, 1998f:34).

#### 4.5 CONCLUSION

The chapter sets out to establish if political variables also play a role in influencing the mobilisation of South African unions, or if mobilisation is linked purely to long waves in the economic cycle as Kelly suggests. The findings of this chapter are presented in table 4.5 on the following page.

The first independent variables to be discussed are the effect of changes in political regimes and variations in African union/state relations on the mobilisation of unions. This chapter has argued that South Africa, following the period of Early Segregation, confrontationist African union/state relations existed. As Table 4.5 illustrates, these relations were marked by mobilisation of the labour movement that waxed and waned with intensity between 1946 (just prior to Apartheid) and 1994, when a new democratic government came into being. With the installation of a new democracy, union/state relations have taken on a 'social democratic' nature. Although the South African union movement has not lost its reputation for militancy, at present the strike activity is the lowest since the mid-1980s. (Business Day, 2000x:n.p).

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<sup>26</sup> For example, in attempting to integrate itself with the federation, unresolved tensions have built up over the last two years between SASBO and Cosatu. (Ray, 1998f:35). The nature of SASBO's membership is such that its economic stance is closer to the government and business than Cosatu. (Ray, 1998f:36). SASBO members adopt a conservative approach and do not support policies that might harm the profitability, market strength or stability of the finance sector. (Ray, 1998f:36). However, SASBO has received criticism from Cosatu for transforming its membership at too slow a pace, despite the fact that the union merely mirrors the racial composition of the finance sector. (Ray, 1998f:35). Furthermore, Cosatu's condemnation of the banks for allegedly supporting the increase in interest rates in 1998, led to the accusation by SASBO that Cosatu leadership was attempting to adopt a policy that undermined the interests of banking employees. (Ray, 1998f:35).

<sup>27</sup> In attempting to do so, the September Commission recommended that ongoing research be conducted into the needs of white-collar workers and the success and failure of affiliates to develop effective organising and bargaining strategies. (Ray, 1998f:36).



**Table 4.5: The Effect of Political Variations on Union Mobilisation in South Africa**

	INDEPENDENT VARIABLES			DEPENDENT VARIABLE
<u>Date</u>	Variations in Political Regimes to be Examined	Variations in African Union/ State Relations to be Examined	Variations in Economic Trends to be Examined	Variations in Union Strength to be Examined
1909	Early Segregation			
1945 + 1946			1945: Transition to Economic 'Upswing' 1948: Growth	1946: Strike by African Mineworkers
1948	Apartheid	Confrontationism		
1970 - 1976			1970: Transition to Economic Downswing. 1973: Recession	1973: Wave of militancy (Independent Unions)  1976: Soweto Uprisings. (Followed by near collapse of the Independent Union Movement).
1980s		High Confrontationism	Midst of Severe Recession	Growth of unions. Widespread unrest. Emergence of union movement as a social movement.
1994	Democratisation	'Social Democratic'		
1995 - 2000			Transition to upswing.	Strike activity the lowest since the mid-1980s.

Table 4.5 reveals that a number of significant strike waves took place at the time of a transition to an economic upswing or downswing. The transition to an economic upswing in 1945 was followed by a large strike of African miners in 1946. The transition to an economic downswing between 1970 and 1975 was marked by a wave of militancy in 1973 and the Soweto uprisings of 1976. These factors all lie in agreement with Kelly's argument that long waves in industrial relations are marked by periods of worker mobilisation. (Kelly, 1998:86).

However even though the 1980s do not mark the period of economic transition, they mark the era during which unions emerged as a social movement against the opponent of Apartheid. This decade proved to be the most militant in African union history. According to Kelly, as the 1980s were well into the cycle of an economic downswing (a severe depression), mobilisation should only have been sporadic during this period. (Kelly, 1998:86).

An explanation for the growth of unions and the extensive union unrest during this period can be linked to the highly confrontational relations between the Apartheid state and African unions at the time. When seen from this perspective, mobilisation was certainly motivated by a political variable (opposition to the Apartheid State) as opposed to a shift in the economic cycle. Furthermore, South Africa is now experiencing the transition to an economic upswing, yet strike levels are the lowest they have been since the mid-1980s. (Business Day, 2000x:n.p)

In conclusion, despite the need to ensure cheap labour supplies for key sectors of the South African economy during certain critical periods, the logic of the Apartheid Regime was not exclusively economic. The ideology of Apartheid assumed a momentum of its own, and it was not just economic forces that directly or indirectly that shaped the fortunes of African trade unions. Political opposition to Apartheid and confrontational African union/State relations also encouraged the mobilisation of the African union movement.

**SECTION 1: CHAPTER 5**

**THE IMPACT OF POLITICAL VARIABLES ON GERMAN UNIONISM**

**5.1 INTRODUCTION**

This chapter examines the role of the German unions movement in order to establish whether variations in political forces played, and continue to play a role in the mobilisation of German unions. The chapter focuses on the effect of political variations on the mobilisation of unions by using Valenzuela’s theory ( described in chapter 3, Section 3.2). As in the case of chapter 4, this chapter emphasises the effect of the political variable on the mobilisation of unions, but changes in long waves in the economy are also referred to so as to ascertain if mobilisation occurs in line with shifts in the economy as opposed to changes in political forces.

The effect of the independent variables (differing political regimes, union/state relations and changes in the economic cycle) upon the dependent variable of union strength is examined to determine what role these independent variables play in the mobilisation of unions. This chapter is represented diagrammatically as follows:

**Table 5.1: A Study of the Impact of Political Variations on Union Mobilisation in Germany**

<b>INDEPENDENT VARIABLES</b>			<b>DEPENDENT VARIABLE</b>
<b>Variations in Political Regimes to be Examined</b>	<b>Variations in Union/ State Relations to be Examined</b>	<b>Variations in Economic Trends to be Examined</b>	<b>Variations in Union Strength to be Examined</b>
<ul style="list-style-type: none"> <li>- Monarchy</li> <li>- Unitary Republic</li> <li>- National Socialism</li> <li>- Democratisation</li> </ul>	<ul style="list-style-type: none"> <li>- Confrontationism</li> <li>- ‘Social Democratic’</li> </ul>	<ul style="list-style-type: none"> <li>- Recession</li> <li>- Growth</li> </ul>	<ul style="list-style-type: none"> <li>- Mobilisation</li> <li>- Decline</li> </ul>

This chapter is not meant to provide a definitive work on German labour history. This is particularly in light of the fact that there already exists a great deal of literature on the pre-World War Two German unions

which exposes this chapter to the risk of reiterating existing research. Instead, it illustrates how Germany's pre-war labour history and transition to a Social Democratic Typology have played a role in shaping the nature and identity of Germany unionism today.

## **5.2 THE CONFRONTATIONIST TYPOLOGY: THE DEVELOPMENT OF GERMAN UNIONISM (1865-1945)**

### **5.2.1 The Development of German Unionism within a Labour Repressive Regime. (1865 – 1890).**

The German labour movement originated prior to the period of craft unions (1865 – 1875), during the Industrial Revolution. (Cullingford, 1976:1). Under the governance of a Monarchy, the rapid growth of industrial centres led to the emergence of something similar to a trade union movement. (Cullingford, 1976:1).

By 1848, the union movement had come to consist of craft unions that comprised independent associations of skilled craftsmen. (Bergmann in Bergmann & Tokunaga, 1987:38). These unions were organised to defend their members economic and social interests against the rising manufacturing lords. (Nomura in Bergmann & Tokunaga, 1987:58). With the completion of the German Industrial Revolution in 1869/71, trade law (*Gewerbeordnung*) was established which permitted the organisation of workers. (Nomura in Bergmann & Tokunaga, 1987:61). Kelly points out that 1870 – 1875 marked the transition from an economic upswing to an economic downswing. In line with his theory, the strike wave took place during a change in the long waves of the economy. (Kelly, 1998:85).

Although the 1869 Industrial Code Legislation legalised the formation of trade unions, it failed to stop the routine obstruction and repression of trade unions by employers and the Monarchy. (DGB, 2000g:n.p). As a result, although craft unions were foremost in the early stages of union development in Germany, many of their activities were thwarted, and their predominance was short lived. (Bean, 1994:29). It can be argued that the continued suppression of unions at this early stage of development allowed the German Monarchy and employers to repress the activities of the unions and the channels through which they could manifest their influence. (Valenzuela in Regini, 1994:54). The relations between the state and union at the time, can thus be described as confrontationist.

Although the Monarchy and middle class would have preferred to eliminate the labour movement so as to protect their interests, the Monarchy instead directed political strategies against the labour movement that

included labour repressive legislation<sup>28</sup> and socially integrative strategies<sup>29</sup>. (Valenzuela in Regini, 89; Bergmann in Bergmann & Tokunaga, 1987:45). The stringent and limiting labour laws rendered the unions ineffective in protecting and enhancing worker rights. (Valenzuela in Regini, 1994:89, 90).

Above and beyond political oppression, German employers neither negotiated with existing trade unions; nor recognised them as collective bargaining partners in the workplace. (Tokunaga in Bergmann & Tokunaga, 1987:23). So as to prevent the expansion of unions, employers maintained complete control of the shop floor by way of the 'Herr-im-Haus' principle. (Bergmann in Bergmann & Tokunaga, 1987:46). This principle is described by Saul as a method of rigid factory discipline on the shop floor in which, "The worker is equal to the employer until he has signed the contract, [thereafter] he is a subordinate, submitted to a severe, quasi-military discipline". (Saul, 1980:223). The aim behind this form of control is to weaken unions to the maximum extent. (Valenzuela in Regini, 1994:90).

There also existed anti-union policies established by employers that limited the possibilities for collective worker organisation, for example, black lists, the enforced signing of documents, disciplinary sanctions and employment agencies run by employers. (Bergmann in Bergmann & Tokunaga, 1987:47). It can be argued that these anti-union practices aimed at preventing the labour organisation from exerting economic opposition against the employers. (Valenzuela in Regini, 1994:90). This argument is supported by Machtan who stipulates that the purpose of factory rule was to reinforce social inequality and allow for a deprivatization of worker rights. (Machtan, 1981:198).

## 5.2.2 Establishing links between the Labour Movement and Political Parties

Repressive labour law also aimed at preventing the labour movement from exerting political opposition to the Monarchy. (Valenzuela in Regini, 1994:90). Most German unions at this time had close ties with the outlawed German Social Democratic Party or *Sozialdemokratische Partei Deutschlands* (SPD), (oriented toward moderate welfare state reform), which expressed opposition to the Monarchy and which was gaining increasing support from the labour movement. (Steinbach, 1997:n.p; SPD, 2000a:n.p; SPD,

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<sup>28</sup> Examples of such legislation are the Anti-Socialists Act (*Sozialistengesetz*, 1878) which called for the banning of both socialist and free trade unions, the modified Anti-Socialists Act (*Umsturzvorlage* 1894), and the Imprisonment Act (*Zuchthausvorlage*, 1899), all of which substantially restricted the rights of collective organisation. (SPD, 2000a:n.p).

<sup>29</sup> Social policies passed at the time, such as health, accident and old age pension insurance schemes, aimed explicitly at the political integration of the working class into the society of the German Empire. (Bergmann in Bergmann & Tokunaga, 1987:45). However, the social insurance acts, passed in tandem with the Anti-Socialists Act failed to achieve their goal. (Bergmann in Bergmann & Tokunaga, 1987:45). It is argued that this is owing to the fact that such acts served individual welfare, but failed to allow for an enlargement of collective rights. (Bergmann in Bergmann & Tokunaga, 1987:45).

2000b:n.p; Langewiesche, 1998:n.p; Rürup, 1993:n.p). Ties were thus established between the unions and a political party, the SPD, during the period of state repression in Germany. (Valenzuela in Regini, 1994:53).

As a result of the link fostered between the labour movement and SPD, not only the Monarchy and employers assumed a repressive attitude toward trade unions. (Langewiesche, 1998:n.p; SPD, 2000a:n.p; Rürup, 1993:n.p). However, the economic exploitation, rigid workplace discipline, state repression and social deprivation combined to provide workers with the recognition of themselves as a social class. (Langewiesche, 1998:n.p). As in the case of the South African labour movement, German unions realised that employers were not their only adversaries but that the state itself was also an antagonist. (Rürup, 1993:n.p). This prompted the labour movement to call for radical-political change, owing to the realisation that economic and political interests could not be recognised within the existing social order. (Rürup, 1993:n.p). This marks the point at which the German union movement became politically motivated, thereby drawing a similarity between itself and the South African labour movement in the, which stood in political opposition to the Apartheid Regime. (Shopsteward Editors, 1995c:n.p).

### **5.2.3 The Recognition of the German Labour Movement**

In cases where labour movement formation takes place under a long standing authoritarian regime (at this stage unions had been repressed by the Monarchy for 25 years), recognition of the labour movement by the regime is usually forced to occur at some stage during the unions development. (Valenzuela in Regini, 1994:91). In Germany, the first step toward this taking place occurred during the period of organisational expansion (1890 – 1914), which saw the Anti-Socialist Act repealed (1889) and a consequent rapid growth of trade union membership. (SPD, 2000a:n.p).

According to Kelly, 1890 – 1896 mark the period of transition from an economic downswing to an economic upswing. (Kelly, 1998:85). Germany experienced a strike wave in the early 1890s. (Boll, Cronin, Gattei & Screpanti in Kelly, 1998:87). Continued growth saw membership increase tenfold from 300 000 members to 2,5 million members. (DGB, 2000g:n.p). Union density rose to 27,8% . (DGB, 2000g:n.p). White-collar employees were also highly organised, as illustrated by the fact that 81,7% of the white-collar labour force was unionised through existing unions at the time. (Oberschall, 1973:109). These figures illustrate the strength of the German labour movement prior to World War One despite confrontational relations between itself and the Monarchy.

Three noteworthy trade union organisations established themselves during the 1890s, namely, the Foundation of Christian Trade Unions (*Gesamtverband Christlicher Gewerkschaften*); the Hirsch-Duncker Movement (*Hirsch-Dunckerschen Gewerkschaften*) and the General Federation of Trade Unions (*Allgemeiner Deutscher Gewerkschaftsbund* or ADGB). (Cullingford, 1976:2). The ADGB played the role of confederation to the 'free trade unions' who were organised along social democratic lines. (DGB, 2000g:n.p). Despite the social democratic slant in the ADGB, a large proportion of the union movement at this time was inspired by leftist political leaders who accepted the Marxist doctrine of the class struggle and the goal of social revolution. (Cullingford, 1976:3).

Despite the emergence of these unions and the repeal of the Anti-Socialists Act, unions were still denied the rights to recognition, collective bargaining and worker participation. (DGB, 2000g:n.p). The refusal on the part of employers to engage with unions existed owing to political fear: employers were concerned that recognition would threaten societal order. (Langewiesche, 1998:n.p). For employers and the state, the threat to social order was presented in the form of continuing good relations between the SPD and the union movement<sup>30</sup>. (SPD, 2000a:n.p; Langewiesche, 1998:n.p; Rürup, 1993:n.p).

Germany experienced another strike wave between 1910 and 1920, which coincided with the transition from an economic upswing to an economic downswing. (Kelly, 1998:87). Nonetheless, it was the outbreak of World War One which finally resulted in the recognition of the German labour. (DBG, 2000g:n.p; Bundesministerium für Arbeit und Sozialordnung, 1998:1). Because they were required to keep the war effort going, employers and government altered their former policies and granted official recognition to trade unions by way of the home truce or '*Burgfrieden*'. (DGB, 2000g:n.p).

The end of the war saw the political and military collapse of the empire in 1918. (Rürup, 1993:n.p; Langeweische, 1998:n.p). The republic's new governing party, the SPD, approved of the social function of trade unions as a bargaining party with control over working conditions, and unions were recognised as social partners by the government and employer associations. (Nomura and Tokunaga in Bergmann & Tokunaga, 1987:25). This political transition from a labour repressive Monarchy to a democracy, is mirrored by a change from repressive to social democratic union/state relations to relations.

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<sup>30</sup> This was particularly in light of the fact that in 1906 the SPD recognised the independence and autonomy of trade unions thereby furthering the good relationship between this party and the union movement. (DGB, 2000g:n.p).

The Works Council Act of 1920 introduced the dual system of collective bargaining to German industrial relations: works councils were established on the shop floor to act as a safety valve for labour disputes, and workers representation on the supervisory board was institutionalised. (Bundesministerium für Arbeit und Sozialordnung, 1998:1). The emphasis on welfare measures resulted in gains such as the eight hour day, improved social security, union recognition, collective bargaining, municipal services and facilities, an intermittent share in coalition governments, and, by 1928, the highest real wages on the European Continent. (Bean, 1994:67).

The strength of the German union movement after World War One is reflected in union growth: by 1922, there were 49 trade unions and the ADGB had over 7,5 million members. Yet, these domestic welfare gains, democratic rights and liberties were to prove precarious. (Macridis, 1978:190). By 1929, half of the ADGB's 7,5 million membership was lost due to inflation and unemployment. (DGB, 2000g:n.p). In addition, despite winning concessions and gains for the labour movement, there existed little co-operation between trade unions and rifts existed within the ADGB owing to Marxist sentiments from within that were opposed to what it regarded as a collaboration with the capitalist state. (Cullingford, 1976:3; SPD, 2000a:n.p).

Unemployment in the 1920s led to the increasing popularity of the National Socialists led by Hitler, who promised economic security and living standards that befitted a "master race". (Sewell, 1998:n.p). In reaction, the SPD attempted to increase its political power so that it could act as effective opposition to Nazi movement. (SPD, 2000a:n.p).

#### **5.2.4 The Emergence of a New Labour Repressive Regime**

In 1933, the German economy suffered heavily from the world wide depression: by early 1933, roughly one third of the industrial workforce of the country were unemployed, many of whom blamed the republic for their misery. (Oberschall, 1973:111). This and the divergent differences of opinion that existed between conservative and reactionary political groups enabled the political extremists, in the form of Hitler's National Socialist Party, to gain increasing influence. (SPD, 2000a:n.p). By the end of 1933, Germany had fallen under the control of a National Socialist Dictatorship (1933 – 1945). (SPD, 2000a:n.p; Macridis, 1978:179).

Under National Socialist rule, union/state relations changed from social democratic to confrontationalist. The change in these relations is reflected by the destruction of the German union movement by the



National Socialist Regime. Under these conditions, the union movement could not mobilise despite the fact that a transition from an economic downswing to an economic upswing took place between 1939 and 1945. (Screpanti in Kelly, 1998:87).

Upon declaring political distance toward communists and national socialists, the German trade union movement and social democrats came under attack. (Steinbach, 1997:n.p). Amongst the trade unions, this attack first took place internally by growing communist activity which split away from the mainstream unions and formed the 'Revolutionary Trade Union Opposition' (*Revolutionäre Gewerkschafts Opposition* or RGO). (Cullingford, 1976:4). In opposition to the RGO, the National Socialist Party established the National Socialist Works Organisation (*Nationalsozialistische Betriebsorganisation*). (Cullingford, 1976:4). By the time the mainstream union movement realised that co-operation between themselves was essential to avoid the onslaught of Nazism, the ADGB had been fatally weakened by internal divisions and Marxist activity. (SPD, 2000a:n.p; Cullingford, 1976:4).

Although the trade union movement belatedly attempted to resist the National Socialist policies, the unions were no longer able to put up an effective resistance. (Oberschall, 1973:111). Instead, the ADGB declared neutrality toward Hitler. (Macridis, 1978:179). Thereafter, the reign of terror against potential political opponents; namely communists, trade unionists and social democrats, began. (Steinbach, 1997:n.p; SPD, 2000a:n.p). Nazi police or *Sturmabteilung* (SA) occupied all offices belonging to the free trade unions, arrested the leaders and confiscated their funds. (Sewell, 1988:n.p). At the same time, the buildings of the SPD were occupied, the leaders arrested and the party banned. (Steinbach, 1997:n.p).

What had been a flourishing trade union movement was seemingly obliterated overnight. (Tokunaga in Bergmann & Tokunaga, 1987:26). The existing 6 million members that had been organised into 200 different unions found themselves incorporated in a new organisation, the *Deutscher Arbeitsfront* (DAF), led by the Nazi party. (Bundesministerium für Arbeit und Sozialordnung, 1998:16).

A year later, the DAF was made into an official organisation of the National German Workers Party or *Nationalsozialistische Deutsche Arbeiterpartei* (NSDAP), and became an instrument used by the Nazi Party for carrying out its labour policy. (Steinbach, 1997:n.p). In this way, the National Socialists attempted to incorporate what was left of the unions into their own labour body so as to monitor and prevent political and economic opposition to the regime. (Valenzuela in Regini, 1994:90).

Within the workplace, the *Führerprinzip* was applied, which was akin to the Herr-im-Haus principle employed in the latter part of the previous century. (Tokunaga in Bergmann & Tokunaga, 1987:26). Employers were regarded as leaders in the enterprise whilst employees were seen as followers or *Gefolgschaft*. (Tokunaga in Bergmann & Tokunaga, 1987:26). The existence of a difference of interest between employers and workers was denied. (Tokunaga in Bergmann & Tokunaga, 1987:26). Works Councils were replaced by bodies called *Vertrauensräten*, which had limited powers. (Tokunaga in Bergmann & Tokunaga, 1987:26). To a great extent, worker rights were repealed. (Tokunaga in Bergmann & Tokunaga, 1987:26).

Many trade union and SPD leaders emigrated or remained in hiding in Germany, and joined the resistance against the Nazi dictatorship. (SPD, 2000a:n.p). Working underground provided the German trade unionists with ample opportunity to analyse the reasons for the collapse of the labour movement, and to work out detailed plans for recreating it on new and more stable foundations. (Cullingford, 1976:6). Thus, even before the end of the Second World War, the re-establishment of trade unions had begun. (DGB, 2000g:n.p).

### **5.2.5 The Transition to a Social Democratic Typology**

Upon capitulating to the Allies in 1945, Germany was divided into Zones which were governed by military governments between 1945 – 1949. (SPD, 2000a:n.p). The initial period after the Second World War in Germany was characterised by the idea of reconstruction: both of the economy and of social order. (Salamon, 1998:47). The SPD worked at re-establishing itself as a ‘people’s party’ within Germany, and reflected a broad range of ideological, economic and social orientations and interests<sup>31</sup>. (SPD; 2000a:n.p; Internationales Institut für Management und Verwaltung, 1979:1).

The Allies encouraged the development of unions after the war so that they might act as a palisade against any repetition of national socialism or Nazism. (Jackson, 1992:42). As mentioned earlier, with the establishment of the ADGB in 1919, a federation of free trade unions came to exist within Germany. (DGB, 2000g:n.p). However, in the post World War Two period it was felt that one of the weaknesses of

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<sup>31</sup> Upon the withdrawal of the Allied Military Governments, two republics came into being: the democratic Federal Republic of Germany (FRG; West Germany), and the socialist German Democratic Republic (GDR; East Germany). (Macridis, 1978:179). The SPD maintained a policy of social democratic reform, yet despite its popularity, it was the Christian Democratic Party or *Christlich Demokratische Union* (CDU) that took over as the first governing party of the Federal Republic. (SPD, 2000a:n.p). The CDU believed that the strong in society should support the weak, and argued that the state should accept responsibility for the provision of education, health and other social services, and for ensuring that equality of access should prevail. (SPD, 2000a:n.p; Salamon, 1998:47).

the German trade unions during the 1930s was the fact that they were free, and not united by their federation. (Jackson, 1992:42). As a result, original leaders of the ADGB created the German Trade Union Federation or *Deutscher Gewerkschaftsbund* (DGB) in 1949, thereby establishing a system of unified unions or *Einheitsgewerkschaften* organised on the principle of industry based associations; the notion behind this move being that of 'one factory, one industry'. (DGB, 2000g:n.p; DGB, 2000h:n.p; SPD, 2000a:n.p;).

This 1945 reorganisation of the German union movement into 16 industrial unions made trade union structure in Germany the least complex in Europe. (Bean, 1994:29; German News Team, 1999:n.p). Although claiming political independence from the SPD, the goals of the DGB overlapped with many of those held by the SPD. (Bean, 1994:29). This contributed to a formal union neutrality and 'depoliticisation', although in practice strong links were maintained with the SPD. (Bean, 1994:29).

The union movement in Germany grew steadily, reaching its peak in 1981 with a membership of 7,8 million. (Schnable, 1987:6). A transition from an economic upswing to an economic downswing took place between 1967 and 1975. (Kelly, 1998:85). In agreement with Kelly's theory, mobilisation of German unions was evident during the late 1960s and early 1970s. (International Research Group, 1981:127). However, the actual number of strikes, working days lost and number of striking participants remained lower than many other countries in the European Community, including Britain and Italy. (International Research Group, 1981:127).

Nevertheless, 1990 – 2000 marks a transition from a downswing to an upswing, yet there is little evidence of mobilisation in Germany during this time period. This could be a result of co-determination which takes great care in promoting consensus and co-operation between management and unions (to be discussed in more detail in section 5.4.3).

## **5.3 THE SOCIAL DEMOCRATIC TYPOLOGY: GERMANY FROM 1949 TO TODAY**

### **5.3.1 Close Links between Labour and Political Parties**

Section 5.2 illustrates that the link between the German labour movement and SPD can be traced back prior to 1890. At this time, both the SPD and German labour movement were opposed to the early German Monarchy, which sought to repress both the SPD and unions. (SPD, 2000a:n.p). These links

remained close during the post World War Two reconstruction period and remain relevant to this day, as reflected by the fact that the SPD still regards itself as the German labour party. (SPD, 2000b:n.p).

### 5.3.2 Characteristics of Social Democratic Unions

Macridis cites the DGB as the most important labour confederation in Germany as it includes all wage earners, is the largest organisation of white-collar employees and civil servants, and has the highest incidence of membership in Germany, which stood at 8,3 million in December 1998. (Macridis, 1978:255; German News Team, 1999:n.p).

Co-determination laws have assisted in DGB unions obtaining a strong plant level presence in Germany. According to the Works Constitution Act, all establishments with a minimum of 20 workers must have a Works Council<sup>32</sup>. (Bundesministerium für Arbeit und Sozialordnung, 1998:45). Members of the Works Council are required to communicate with the unions on the part of their employees. (Personal Interview, 1999:n.p). Of importance is that these members are frequently trade unionists themselves, which assists in strengthening the plant level presence of unions. (Personal Interview, 1999:n.p).

Apart from the DGB there exist four other, smaller confederations in Germany, namely, the *Deutsche Angestelltengewerkschaft* or DAG, which consists mostly of white-collar workers; the *Deutscher Beamtenbund* (DBB) which comprises civil servants, and the *Christlicher Gewerkschaftsbund* or CGB, which reflects Christians of various professions. (DAG, 2000:n.p; DBB, 2000:n.p; CGB, 2000:n.p).

The DGB's strength and national importance are enhanced by the link maintained with the SPD, who concentrates on promoting labour interests and policies of social welfare within the framework of a constitutional democracy. (Macridis, 1978:271; SPD, 2000b:n.p). In 1998, the SPD, in coalition with Germany's Green Party, came into power, thereby placing the promotion of worker interests in a favourable position. (Mayer, 1998:36; SPD, 2000b:n.p). This event has granted the DGB ample opportunity to expand its political and personal liberties and obtain more participatory rights for working people. (DGB, 2000k:n.p).

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<sup>32</sup> A company with 20 employees has one member on the Works Council. (Bundesministerium für Arbeit und Sozialordnung, 1998:45). The number of members on the Works Council increases in accordance with the number of employees at the firm: for example, a firm with 9000 employees must have a Works Council comprising 31 members. (Bundesministerium für Arbeit und Sozialordnung, 1998:45).

### 5.3.3 Political Policies of Reform

The policy of the SPD is to achieve a modern, democratic society empowered by politically engaged citizens to enforce social aims. (SPD, 2000b:n.p). The SPD aims to accomplish democracy throughout the whole society, in the economy, in companies and at the workplace. (SPD, 2000b:n.p). In turn, these ambitions reflect commitment to democracy, inspired by the results of the National Socialist Regime<sup>33</sup>. (Macridis, 1978:271).

Similarly, the DGB emphasises that economic security and equality, and social justice and peace ought to characterise the quality of life in Germany. (DGB, 2000a:n.p). The DGB argues that there is a need for the social state to intervene in and regulate the industrial relations sphere, so as to attain economic order, security and social justice. (DGB, 2000a:n.p). The DGB feels that the social and democratic state requires the participation of large social organs which are capable of playing their part in reaching necessary compromises. (DGB, 2000k:n.p). Trade unions have a significant role to play in this endeavour, as they can actively shape and advance democracy within Germany. (DGB, 2000k:n.p).

## 5.4 THE STRUCTURE OF THE GERMAN LABOUR MOVEMENT

Section 5.2 details the way in which Germany's pre-World War Two political context played a decisive role in shaping the current structure and long term programmes of the German labour movement. (Valenzuela in Regini, 1994:54). The fact that the pre-World War Two unions were free and not united by their confederations was cited as a weakness that rendered the unions ineffective in opposing the National Socialists. (Jackson, 1992:42). Unions were thus rebuilt as 'unitary' unions, so as to avoid the cleavages that led to their increasing internal disorder prior to the National Socialist regime coming to power in 1933. (Internationale Institut für Management und Verwaltung, 1979:2). This led to the institutionalised role of unions, and the introduction of a range of co-determinist structures, such as Works Councils (to be discussed in section 7.4.3). (Internationales Institut für Management und Verwaltung, 1979:2).

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<sup>33</sup> Owing to this era of German history, the SPD established a reformist approach to its policies by way of the *Godesberger Programm* (1959). (SPD; 2000b:n.p). In this programme, the SPD states that, "Democratic Socialism is to realise freedom, fairness and solidarity through a decentralised society and through social and economic reforms". (SPD, 2000b:n.p).

#### **5.4.1 The Long-term Programme of the DGB**

The essential programme of the DGB is to ensure democratisation at work, in the economy and in society as a whole. (DGB, 2000d:n.p). The DGB promotes human and civil rights, as well as the rights and opportunities, of all working men and women. (DGB, 2000d:n.p). In addition, the DGB states that the German trade union movement carries an obligation to its traditions and history. (DGB, 2000h:n.p). This implies continued emphasis on democracy, freedom, equality, justice, solidarity, tolerance and an opposition to political extremism and xenophobia. (DGB, 2000d:n.p; DGB, 2000i:n.p). The DGB feels that these values provide the crucial basis for reconciling opposing social interests and conflicts within the German society. (DGB, 2000d:n.p).

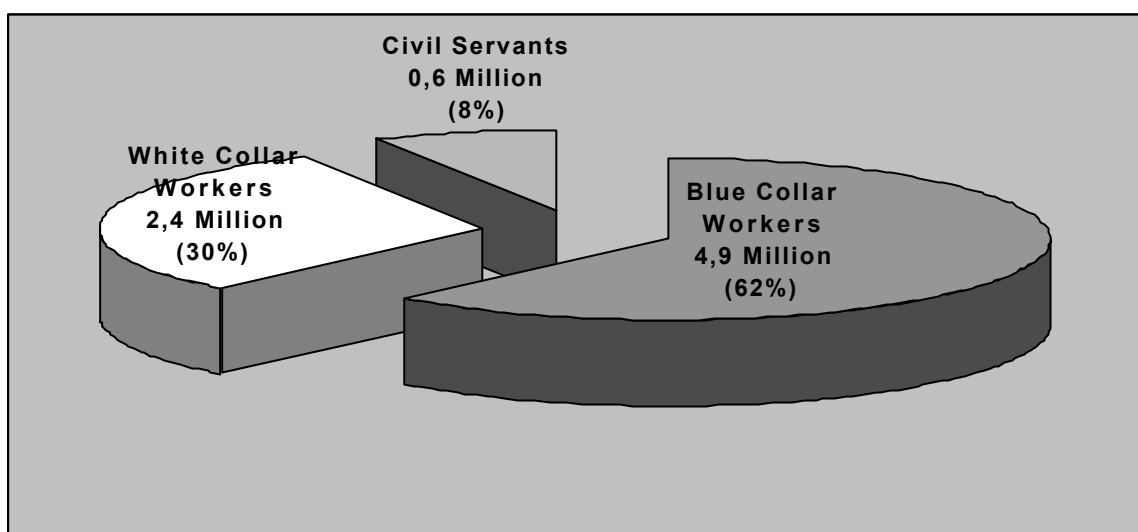
Opposition to political extremism and xenophobia arises from what the German trade unions most bitter defeat: their capitulation to National Socialism in 1933. (DGB, 2000d:n.p). This illustrates that the political environment prior to World War Two has shaped the principle and objectives of the DGB today. (International Research Group, 1981:127; Valenzuela in Regini, 1994:54; Internationales Institut für Management und Verwaltung, 1979:1).

#### **5.4.2 The Structure and Membership Profile of the DGB**

The DGB has a democratic, bottom-up structure and acts as an umbrella organisation for its eleven member unions. (DGB, 2000h:n.p). On a national level, the DGB represents the German trade union movement in dealings with government authorities, political parties, employers organisations and other groups within society. (DGB, 2000h:n.p). In addition, the DGB co-ordinates joint demands, themes and campaigns for its member unions, supports them in industrial disputes and advocates their interests vis-à-vis politicians and the general public. (DGB, 2000h:n.p). However, the DGB is not directly involved in collective bargaining and can not conclude pay agreements. (DGB, 2000h:n.p).

During December 1998 when the DGB comprised 12 member unions, the DGB boasted a membership of nearly 8,3 million members. This figure has since changed, yet new statistics reflecting the membership of the eleven member unions in 2000 were unavailable at the time of writing. 1998 figures show that blue-collar workers or *Arbeiter* comprised the largest membership group with 4,9 million members, followed by white-collar workers or *Angestellte* (2,4 million) and finally, civil servants or *Beamte* (0,6 million) (See Table 5.2). (DGB, 2000j:n.p). In terms of gender, 5,7 million members are male, whilst less than half of this amount, 2,5 million members, are female. (DGB, 2000j:n.p).

**Table 5.2: Membership Profile of the DGB, December 1998.**



*Source: DGB Mitgliederstatistik, 2000j:n.p.*

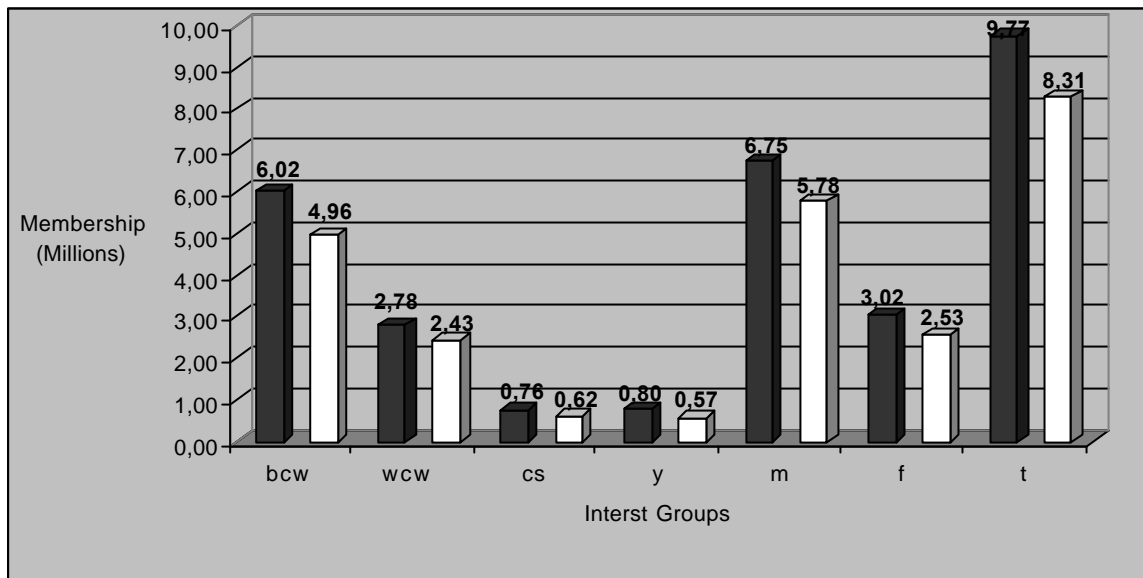
The eleven member unions incorporate a variety of industries that include the transport, chemical, agricultural and metal sectors, as well as police, post, banking and insurance. (DGB, 2000j:n.p). The spread of industries covered, as well as the large number of white-collar workers and civil servants that the DGB is responsible for, illustrates the DGB's attempt to attract all working people, including those who are cautious and sceptical toward trade unions. (DGB, 2000f:n.p).

However, while the DGB argues that increased emphasis on female and youth interests has contributed to an increased membership amongst these interest groups, statistics actually reveal a decrease in membership amongst these groups. (DGB, 2000f:n.p; DGB, 2000j:n.p; DGB, 2000l:n.p). Female membership has dropped from 3 million members in December 1994 to 2,5 million in December 1998, whilst membership of youth fell from 0,8 million to 0,6 million members during the same period. (DGB, 2000j:n.p; DGB, 2000l:n.p). Male membership has also declined by a million members: from 6,7 million members in December 1994 to 5,7 million in December 1998. (DGB, 2000j:n.p; DGB, 2000l:n.p).

In contrast with the increase in membership that Cosatu is currently enjoying, the DGB has experienced an overall loss in membership, from a total of 9,8 million members in December 1994 to 8,3 million in December 1998: a loss of roughly 1,5 million members (See Table 5.3). (DGB, 2000j:n.p; DGB, 2000l:n.p). The DGB argues that the attempt to represent diverse and individual interests (female, youth, civil servants, white-collar and blue-collar workers) has altered the organisational structure and culture of the confederation. (DGB, 2000f:n.p). Yet, the DGB also admits that the outdated membership structure (unchanged since the 1960s) and the bureaucratic nature of the unions have resulted in a cumbersome,

undynamic structure that requires organisational development if it is to reverse membership decline. (DGB, 2000c:n.p). DGB, 2000f:n.p).

**Table 5.3: Decline of DGB Membership Between 1994 and 1998.**



bcw	=	Blue Collar Membership	
wcw	=	White Collar Membership	1994
cs	=	Civil Servant Membership	
y	=	Youth Membership	
m	=	Male Membership	
f	=	Female Membership	1998
t	=	Total Membership	

Source: DGB Mitgliederstatistik, 2000j:n.p; DGB Mitgliederstatistik, 2000l:n.p.

### 5.4.3 Collective Bargaining in Germany

The German industrial relations system is a dual structure aimed at a high degree of co-operation and consensus. (Internationales Institut für Management und Verwaltung, 1979:2). The dual structure comprises two distinct roles: firstly, that of moderating distributional conflict between trade unions and employers' associations at the sector or industry level (to determine terms and conditions of employment); and secondly, that of overseeing plant-level consultation between management and employees through Works Councils or *Betriebsrat* in organisational decision making (co-determination). (Hassel, 1998:485; Salamon, 1998:387). Bargaining agreements oblige the parties to observe industrial peace during the agreed period of time. (Internationales Institut für Management und Verwaltung, 1979:8).



Co-determination is carried out through a legally based, elected body of employees which represent the plant specific interest of employees. (Bundesministerium für Arbeit und Sozialordnung, 1998:18; Hassel, 1999:486). Collective bargaining, on the other hand, takes place between trade unions and employers' confederations<sup>34</sup>. (Bundesministerium für Arbeit und Sozialordnung, 1998:22; Hassel, 1999:486). The relationship between co-determination and collective bargaining is complementary, and there are no overlapping decision-making rights between the two pillars (See Table 5.4). (Hassel, 1999:486).

**Table 5.4: Collective Bargaining and Co-determination in the German System of Industrial Relations.**

	<i>Collective Bargaining</i>	<i>Co-determination</i>
<i>Form of interest Organisation</i>	Voluntary Membership in associations.	Election of legally based bodies.
<i>Actors</i>	Trade unions and employers' associations.	Works Councils.
<i>Range of Action</i>	Bargaining, industrial disputes.	Consultation, package deals.
<i>Content of Regulation</i>	Substantial aspects of the employment contract, procedural aspects, joint bodies.	Individual grievances, implementation of collective agreements.

Source: Hassel, 1999:485.

A Works Council or *Betriebsrat* is defined as, "a mechanism for integrating management's and their employees within the community of the enterprise". (Hyman, 1989:203). A Works Council comprises the core institution of enterprise level industrial relations in Germany. (Hyman, 1989:203; Deutschmann in Tokunaga, Altmann & Demes, 1992:133). As mentioned earlier, the 1920 Work Council Act introduced the dual system of collective bargaining to Germany<sup>35</sup>. (Bundesministerium für Arbeit und Sozialordnung, 1998:16). Their reconstitution after the Second World War was implemented to establish co-operation

<sup>34</sup> With regard to collective bargaining, the Confederation of Employers' Associations or *Bundesverband der Deutschen Arbeitgeberverbände* (BDA), and the Federation of Industries or *Bundesverband der Deutschen Industrie* (BDI) are composed of a number of member organisations, and concentrate on representing interests of German industries in the field of national and economic policy. (Internationales Institut für Management und Verwaltung, 1979:10). Issues for bargaining include overall minimum working conditions, types of employment contracts and the humanisation of work. (Internationales Institut für Management und Verwaltung, 1979:8).

<sup>35</sup> Works councils were first established on a compulsory basis in 1889 by the German Monarchy in an attempt to achieve industrial peace without recognising the unions. (Nomura in Bergmann & Tokunaga, 1987:62). However, they proved unpopular and did not emerge again until 1920 when the Works Councils Act reintroduced the dual system of collective bargaining to Germany. (Bundesministerium für Arbeit und Sozialordnung, 1998:16).

and consensus between labour and capital within the capitalist system, to aid economic reconstruction and to provide a distinctly different ideology to the previous fascism. (Salamon, 1998:387).

The basic organisational unit of an industrial DGB union is the individual firm. (International Research Group, 1981:126; Internationales Institut für Management und Verwaltung, 1979:11). Within the firm, the Works Council comprises employees who are elected by the workforce every four years. (Personal Interview, 1999:n.p; Internationales Institut für Management und Verwaltung, 1979:18). The elected Works Council safeguards the interests of the employees in dealing with the employer. (Personal Interview, 1999:n.p; Bundesministerium für Arbeit und Sozialordnung, 1998:18). The Works Council is obliged to co-operate with management and has the right to co-determination: management must secure its agreement on a number of issues including working hours, recruitment and dismissals. (Salamon, 1998:388; Bundesministerium für Arbeit und Sozialordnung, 1998:18).

The Works Council has the right to receive information pertaining to the economic and financial position of the company. (Deutschmann in Tokunaga, Altmann & Demes, 1992:137). Even so, the relationship between the Works Council and employer is based on mutual trust and co-operation for the good of employees and the establishment. (Deutschmann in Tokunaga, Altmann & Demes, 1992:137). Manual and non-manual workers are proportionally represented and both trade unions and employees may nominate candidates. (Salamon, 1998:388).

Members of the Works Council communicate with the unions on the part of their employees. (Personal Interview, 1999:n.p). Their task remains that of collecting questions and information from the shop floor and submitting it to the members of the Works Council, who then deal with management or the appropriate union as required. (Personal Interview, 1999:n.p). Furthermore, the Works Council is responsible for recruiting new union members, formulating worker claims and organising strike action if necessary. (Salamon, 1998:389).

## **5.5 CONCLUSION AND COMPARISON**

In the instance of Germany, Kelly's theory relating to the impact of long waves on the economy on industrial relations is mostly correct. This chapter has traced the emergence of German unionism during different political regimes from 1848 until now. During this time there have been three transitions from an economic upswings to a downswing, and three transitions from an downswing to an upswing. The mobilisation of German unions at the time of economic transition has occurred in four of these six

transitions. The transitions that took place between 1870 – 1875, 1890 – 1896, 1914 – 1920 and 1967 - 1974 are all marked by union mobilisation, irrespective of the differing political regimes in power and the fact that union/state relations varied between being confrontationalist and social democratic during these time frames. It appears thus far that long waves in the economy do have far more impact on the mobilisation of German unions than the variables of differing political regimes and union/state relations.

**Table 5.5: The Effect of Political Variations on Union Mobilisation in Germany**

	INDEPENDENT VARIABLES			DEPENDENT VARIABLE
<u>Date</u>	Variations in Political Regimes to be Examined	Variations in African Union/ State Relations to be Examined	Variations in Economic Trends to be Examined	Variations in Union Strength to be Examined
1871	Monarchy	Confrontationist	1870 – 1875: Transition to Economic Downswing	Mobilisation (1970s strike wave)
			1890 – 1896: Transition to Economic Upswing	Mobilisation and Growth
1918	Unitary Republic	Social Democratic	1914 – 1920: Transition to Economic Downswing	Mobilisation and Growth
			1920 – 1933: Depression	Decline
1933 - 1945	National Socialism	High Confrontationism	1939 – 1945: Transition to Economic Upswing.	---
1945 - 1949	Allied Military Governments	Social Democratic		Growth
1949	Democratic	Social Democratic		Growth
			1967 – 1975: Transition to Economic Downswing	Mobilisation (1968 – 1974)
			2000 - ? : Transition to Economic Upswing	Decline

However, Table 5.5 presents two exceptions to this argument. Firstly, despite the transition to an upswing between 1939- 1945, no mobilisation of German unions occurred during this period. At this time confrontationist union/state relations had resurfaced with the coming to power of the National Socialist Regime in 1933. In this instance, the variables of the change in political regime and union/state relations did play a role in the lack of mobilisation and the decline of the German labour movement.

The second exception is evidenced by the fact that although an economic transition to an upswing ought to have taken place between 1990 – 2000, there is no evidence of German union mobilisation for this period. There has been no change in the ideology of the political party in power – in fact the SPD is the labour friendly party that enjoys a historical link with the DGB. Thus, whilst political factors could not instigate the mobilisation of the German union movement, as they did in the period of high confrontationism during the 1980s in South Africa, the economic variable also appears not to influence the current decline of the union movement.

When comparing Table 5.5 to Table 4.5 (which summarises the effect of the same variables on the mobilisation of the South African union movement), the conclusion is reached that in most instances Kelly's argument that union mobilisation is linked to transitions in the economic cycle is correct. However, in the case of both South Africa and Germany there exists an exception to this argument which indicates the variable of changes in the political regime and in union/state relations play a role. This chapter therefore concludes that political variables such as variations in political regimes and union/state relations also play a role in the mobilisation of unions.

**SECTION 2: CHAPTER 6**

**THE IMPACT OF SOCIO-ECONOMIC VARIABLES ON SOUTH AFRICAN UNIONISM**

**6.1 INTRODUCTION**

Section 2 focuses on present challenges which may affect the growth or decline of unions in the future. The effect of variations in socio-economic factors on the aggregation or disaggregation of unions is examined by using Hyman’s Theory of Disaggregation (described in Chapter 3, Section 3.3) as a framework. The reaction of unions to socio-economic variables in terms of aggregation or disaggregation and decline is examined in both countries within the context of the 1990s.

As the following table indicates, the effect of the independent variables of recession, poverty and unemployment upon the dependent variable of union strength will be examined to determine what role these independent variables play in the aggregation or disaggregation of the South African union movement. (See Table 6.1).

**Table 6.1: A Study of the Impact of Variations in Socio-economic Factors on Union Strength in South Africa**

<b>POSSIBLE INDEPENDENT VARIABLE</b>	<b>POSSIBLE DEPENDENT VARIABLE</b>
<b>Variations in Socio-economic Factors</b>	<b>Variations in Union Strength</b>
<ul style="list-style-type: none"> <li>- Recession</li> <li>- Poverty</li> <li>- Unemployment</li> </ul>	<ul style="list-style-type: none"> <li>- Aggregation</li> <li>- Disaggregation</li> </ul>

This chapter will assess whether or not economic difficulties and recession are bringing about a disaggregation or aggregation of the South African union movement, irrespective of the fact that the country is currently undergoing a transition to an economic upswing.

## **6.2 THE IMPACT OF RECESSION LINKED SOCIO-ECONOMIC FACTORS ON SOUTH AFRICAN UNIONISM**

During the 1980s South Africa was receiving the height of negative attention and mounting pressure from the outside world. (Van Der Watt in Jacobs, 1986:56; Silke, 1997:n.p). Whilst the leading states of the global community, shocked by the racist excesses of Nazi Germany, were moving toward internal deracialisation and external decolonisation, "South Africa, with much fanfare, adopted the Apartheid policy which entrenched racist practices and extended racism to areas in which there had not previously been any racist statutes". (Schrire in Jacobs, 1986:254). The core reasons for South Africa's isolation were her domestic policies based upon statutory racial classification which determined the rights and privileges as well as the advantages and disadvantages enjoyed by South Africa's people. (Van Der Watt in Jacobs, 1986:56; Schrire in Jacobs, 1986:255, 257).

As discussed in chapter 4, South Africa experienced a transition to an economic downswing in the mid 1970s. In agreement with Kelly, this transition was marked by a wave of union mobilisation in the early and mid 1970s. Increasing isolation and internal unrest brought about a downturn in economic performance which reached its peak during the 1980s. (Tyson, 1996:86). Following a relatively strong performance in the 1960s, South Africa's economy began to fall in the 1970s and deteriorated rapidly during the 1980s when inflation soared, the Rand depreciated dramatically and the Apartheid government resorted to protectionist practices. (Tyson, 1996:87; Svanemyr, 1998:n.p; Learner.org3, n.d:n.p; Silke, 1997:n.p).

By the mid 1980s, South Africa experienced the trough of the most serious economic down-turn in its history. (Keenen in South African Review II, 1984:133; Brand in Jacobs, 1986:8). Stagnating employment, an actual decline in real Gross Domestic Product (GDP), (growth was negative in 1982 and 1983 being -1,2 and -1,3 respectively), a further rise in unemployment and inflation, and a sharply falling exchange rate were all reflected in the internal unrest of the country. (Keenan in South African Review II, 1984:133; Brand in Jacobs, 1986:8).

The recession allowed management to adopt an aggressive stance toward union organisation and to make use of job insecurity to temper worker demands. (Hayson and Webster in South African Review II, 1984:76). Management was reluctant to grant wage increases and real wages for many African workers declined. (Hayson and Webster in South African Review II, 1984:76). The overall economic condition of workers deteriorated and, as the economic recession deepened, large numbers were left without jobs and

some came close to starvation. (Svanemyr, 1998:n.p; Hayson and Webster in South Africa Review II, 1984:76). The plight of the black working class at this time, who continue to comprise the majority of South Africa's population, is summed up by Webster when he states that, "South Africa is at present at or near the head of the world's inequality league". (Webster in South African Review II, 1984:88).

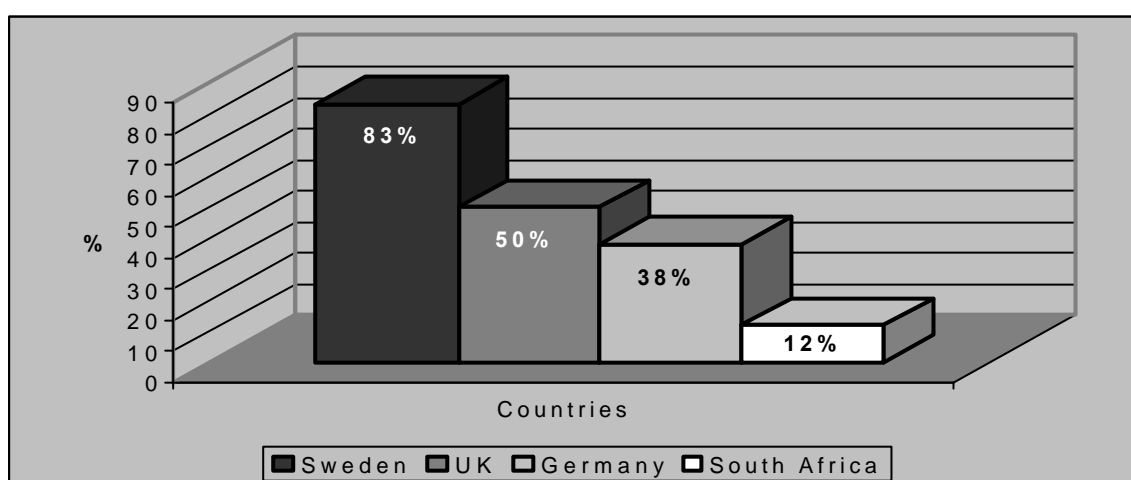
As seen in Chapter 4, It is clear that the Apartheid government was resistant to the labour movement's call for the reform of labour legislation that was developed specifically for white-worker protectionism. (Silke, 1997:n.p; Svanemyr, 1998:n.p). In response to their opposition to the labour legislation and Apartheid Regime, the opposing labour organisations and those political parties linked to them were banned and the prominent labour and political party leaders were arrested. (Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995c:n.p). This illustrates Hyman's argument that the labour movements' aspiration for a fairer socio-economic system was at odds with the more selfish constituents within the Apartheid state. (Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995c:n.p).

Although the bannings resulted in the disintegration of the labour movement in its overt form, the government's attempt to retain the privilege of one sector of the population served to radicalise those trade unions and political organisations representing those who believed themselves to be disadvantaged. (Van Der Watt in Jacobs, 1986:89). This resulted in trade unions providing the basis for effective political interaction, thereby again qualifying Hyman's argument that divisions created in the collective bargaining arena can spill over into the political arena in which the gainers (the Apartheid government and privileged whites) may resist the social policies designed to cushion the situation of the losers (the black working class). (Hyman in Regini, 1994:152; Van Der Watt in Jacobs, 1986:60).

In the face of extreme opposition, African trade unions realised that they could effectively alter many aspects of the lives of their members through negotiation and industrial action, which in the broader sense became political activities. (Van Der Watt in Jacobs, 1984:60). Consequently, and in spite of the recession, the 1980s proved to be years of consolidation and steady growth for the emerging unions. (Webster in South African Review II, 1984:79). This occurrence conflicts with Hyman's theory which states that recession will increase the division between groups within the labour market. (Hyman in Regini, 1994:152). Importantly, the mobilisation of the unions in the 1980s also conflicts with Kelly's theory that mobilisation takes during an economic transition. As pointed out, South Africa was in the midst of a severe recession in the 1980s. The transition to an economic downswing had already taken place in the 1970s. Nonetheless, the 1980s proved to be historically militant years for the African union movement.

Rather than increasing competition and conflict within the labour force, the unionisation of the working class expanded rapidly throughout the 1970s and 1980s. (Department of Manpower Annual Reports, 1976 – 1986:n.p). At the height of South Africa's economic recession in 1983 the percentage of workers unionised increased to 12% of the workforce. (Webster in South African Review II, 1984:80). It is important to note that at the time, this gave South Africa the lowest percentage of workers unionised in the developed capitalist world. (Webster in South African Review II, 1984:80). Sweden had the highest at 83%, followed by the United Kingdom (UK) at 50%, and Germany at 38%. (See Table 6.2). (Webster in South Africa Review II, 1984:80).

**Table 6.2: Percentage of Workers Unionised in the Developed Capitalist World in 1984.**

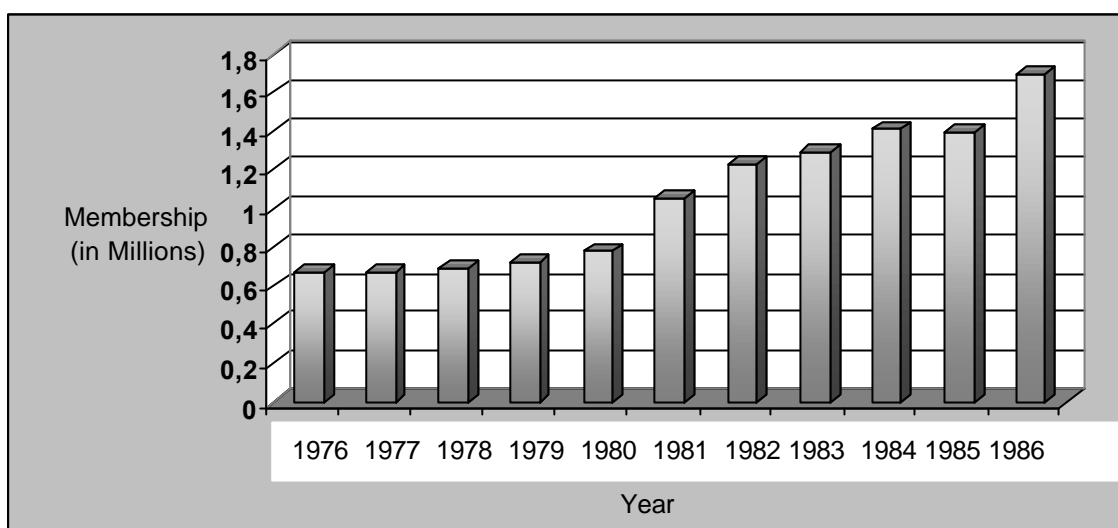


Source: Webster in South African Review II, 1984:80

In illustration of the steady growth and consolidation of unions during Apartheid, despite the deterioration of the economy in 1970 and the economic recession of the 1980s, union membership expanded from 673 thousand in 1976 to just over 1,2 million members by 1983 (See Table 6.3). (Department of Manpower Annual Reports, 1976 – 1986:n.p). Membership continued to expand by a further 118 thousand between 1983 and 1984. (Department of Manpower Annual Reports, 1976 – 1986:n.p). This was followed in 1986 by a drop in membership of 15 000 people, possibly as a result of extreme state repression in that year. (Department of Manpower Annual Reports, 1976 – 1986:n.p). However, this was more than made up for the following year, in 1986, when membership again increased by 307 thousand members. (Department of Manpower Annual Reports, 1976 – 1987:n.p).



**Table 6.3: Growth in South African Union Membership, 1976 – 1986.**



Source: Department of Manpower Annual Reports, 1976 – 1986:n.p

By gathering large numbers of workers and linking them in production, monopoly capitalism created the material conditions for mass based unionism<sup>36</sup>. (Webster in South African Review II, 1984:88; Silke, 1997:n.p). Efficient mobilisation strategies were undertaken, as reflected in the increasing number and effectiveness of those strikes that took place during the 1980s. (Shopsteward Editors, 1995b:n.p; Webster in South African Review II, 1984:88). To put this in a comparative perspective, between 1981 and 1982, South Africa had 26 working days lost in comparison with Germany who only had 2 working days lost. (Webster in South Africa Review II, 1984:81).

The increasing impact of the labour movement’s activities on an already weak economy led to the following realisation: for the potential of the South African economy to be realised, the real reform of the political environment was required. (Brand in Jacobs, 1986:11). An internationally acceptable environment would play a role in providing assurance to foreign investors that their assets in South Africa would be safe and productive. (Brand in Jacobs, 1986:11).

A major step in the right direction was the installation of the Government of National Unity (GNU) in 1994. (Shilowa, 1997b:73; Tyson, 1996:26; Cosatu, 2000:n.p; Shopsteward Editors, 1995b:n.p; Shopsteward Editors, 1995d:n.p). Yet, despite the fact that labour friendly South Africa is now the largest, most diverse and advanced economy in Africa, the economy continues to struggle in the face of poverty and high and rising levels of unemployment. (Redman, 1999:62; Tyson, 1996:86; Williams in The Citizen, 1999:12).

<sup>36</sup> This man power granted unions greater capacity to make use of techniques involving short-term action such as walk-outs, work stoppages and boycotts. (Van Der Watt in Jacobs, 1986:56).

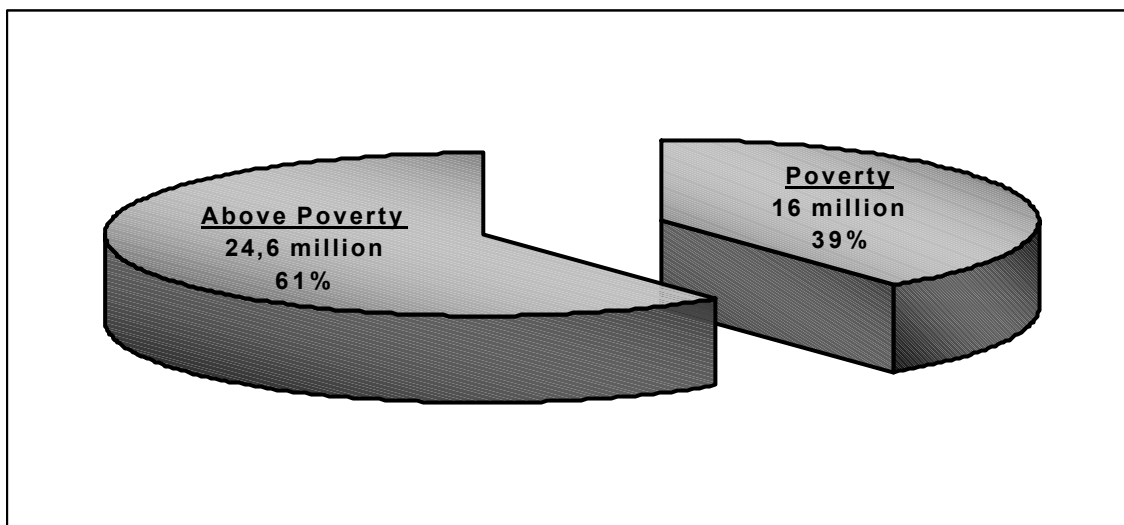
Hyman would argue that these economic adversities have the potential to increase inter-group conflict and create antagonisms between core, peripheral and unemployed workers, thereby bringing about a disaggregation of the union movement. (Hyman in Regini, 1994:152). In order to assess the validity of Hyman's argument, each of the factors (poverty and unemployment) that relate to the current adverse economic climate, and their effects on the labour movement in South Africa, will now be discussed.

### **6.2.1 Poverty**

The unequal distribution of income inherited from the Apartheid years and the deprivation of basic needs has left South Africa today with a vast economic gulf between the rich and poor. (Heintz & Jardine, 1998:18; Nel, 1997:10). The closing of the income gaps between the have's and have-not's is regarded by the government as essential in sustaining human security, which in turn embodies the overall peace and stability of South Africa. (Business Day, 1999a:4).

South Africa's high poverty rates are considered a major area of concern owing to the fact that the upliftment of the poor is directly linked with the government's strategy to rebuild the South African economy. (Redman, 1999:62). Without a strong economy no jobs can be provided that could arrest the rising levels of unemployment. (Redman, 1999:62; Tyson, 1996:27).

Absolute poverty rates in South Africa are extremely high with an estimated 16 million South Africans, roughly 39% of the population, living in poverty and food insecurity. (See Table 6.4). (Business Day, 2000e:8; Nattrass and Seekings, 1996:66). Cosatu argues that half of all South African households depend on money from a family member who works. (Cosatu, 1999:n.p). On average, one wage earner supports ten people. (Cosatu, 1999:n.p). Owing to the fact that a social security system in South Africa does not exist, the job loss of one worker affects whole families and communities. (Cosatu, 1999:n.p). This in turn illustrates the link that exists between poverty and unemployment in South Africa. (Cosatu, 1999:n.p). Furthermore an estimated half of the population has insufficient food or is exposed to an unbalanced diet. (Business Day, 2000e:8). 95% of all poor individuals are African with the poverty rates being much lower for whites than for any other racial grouping. (Heintz & Jardine, 1998:18).

**Table 6.4: Absolute Poverty Rates for the South African Population, 2000.**

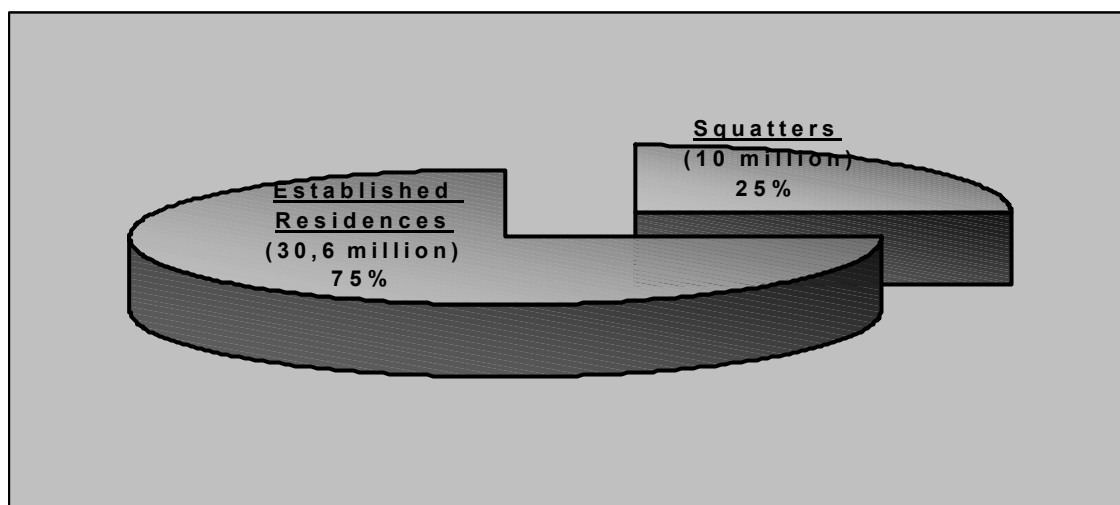
Source: *Business Day*, 2000e:8

In the past, the poorest South Africans were low paid African workers and their families. (Nattrass & Seekings, 1996:66). Today the poor are the unemployed, “and in many cases the never-employed”. (Nattrass and Seekings, 1996:66). Within South Africa, unemployment therefore confines people to poverty<sup>37</sup>. (Nattrass and Seekings, 1996:66).

One of the compelling reasons for an accelerated effort to alleviate rural poverty is the fact that, on average, 20 000 rural South African’s are migrating to urban Gauteng every month so as to flee the poverty and unemployment that characterise many of the rural districts<sup>38</sup>. (Ray, 1998b:8; Klaaste & Siluma in Sowetan, 2000a:8; Sowetan, 2000f:2). The growth of informal settlements that this migratory tendency entails, impacts upon official figures of an estimated 10 million, (a quarter of the population), living in shacks and as squatters on land occupied either legally or illegally (See Table 6.5). (Nel, 1999:50; Tyson, 1996:48).

<sup>37</sup> Poverty rates tend to increase in rural regions, in provinces that contain one of the former homelands, and in areas whose economies have been underdeveloped by Apartheid policies. (Nel, 1997:10; Heintz & Jardine, 1998:66). With regard to rural areas, the rural population is said to count for seven out of every ten poor South Africans, thereby causing enough concern to become the focus of many of the GNU’s upliftment programmes. (Klaaste & Siluma in Sowetan, 2000a:8).

<sup>38</sup> These immigrants tend to settle on the only available land, which in most cases is least suited to human habitation. (Klaaste & Siluma in Sowetan, 2000a:8).

**Table 6.5: Squatter Population of South Africa, 1999.**

Source: Department of Labour, 2000:n.p; Nelan, 1999:50

The government has subsequently increased emphasis on accelerated rural economic development as well as housing projects. (Klaaste & Siluma in Sowetan, 2000a:8). According to the National Development, Economic and Labour Council (NEDLAC), the government, through the Reconstruction and Development Programme (RDP), has resettled 68 000 families on farming land since 1994. (Business Day, 2000l:2). Although steps are being taken to address the problem of squatters, this figure still indicates that a large majority of people continue to live in informal settlements.

What is important to note is that, according to Hyman, this situation, if not improved upon timeously, could well lead to an increase in inter-group conflict. (Hyman in Regini, 1996:152). In this instance, the conflict runs the risk of existing not only between groups of workers and the unemployed, but also between the new governmental alliance and the country's poor. The latter not only comprise the largest segment of South Africa's population, but also represent the disadvantaged working class that voted the new government into power and supported the ANC and Cosatu during the liberation struggle against Apartheid. (Nelan, 1999:50; Sitas, 1998:21).

With regard to the possibility of conflict being created between groups of workers, it must be noted that, in an effort to attract support from all segments within the workforce, Cosatu's numbers have grown in the white-collar and state sectors. (Shopsteward Editors, 1995e:n.p). Cosatu membership now includes professionals such as teachers, nurses, bank clerks, bureaucrats, police, prison warders and journalists. (Shopsteward Editors, 1995e:n.p; Sitas, 1998:21). Although Cosatu has also made attempts to organise the unemployed, who also comprise the country's poor, this has for the most part proved futile as the

unskilled sections of the workforce are increasingly outsourced to labour contractors, and trade union representation of semi-skilled, skilled and white-collar workers has become the norm. (Sitas, 1998:21).

It is thus argued that between the act and the action at grassroots, there remains a sizeable gap. (Nelán, 1999:48; Sitas, 1998:22). It is at this point that a possibility of conflict arising between the government and the country's poor becomes apparent. What is problematic is that fact that the anti-Apartheid struggle was led by trade unions and the mobilised, unemployed youth. (Sitas, 1998:21). Although demobilised during the transition period of the 1990s, their increasing numbers amongst the unemployed allows for this group to constitute a demobilised army that runs the risk of becoming disappointed and angry with the new government that they brought to power. (Sitas, 1998:21).

In this way South Africa's poor represent a group that demands attention. (Nelán, 1999:48; Sitas, 1998:21). Although their priorities can not be represented by existing organisations with ease, they could well give rise to new urban social movements that, in turn, will challenge the form and nature of South Africa's democratic transition. (Sitas, 1998:16).

To address this situation, several housing projects<sup>39</sup> have been initiated by the government which not only increase the rate of housing delivery, but also provide jobs. (Vlok, 1998:27). One of the goals of the RDP, as implemented by the Tripartite Alliance, was to provide an estimated 200 000 new housing units per year to alleviate the housing shortage of the majority of its followers. (Shopsteward Editors, 1995d:60; Tyson, 1996:37). However, this target proved hopelessly unrealistic and underestimated the long time lags of development delivery and its own limited funds. (Vlok, 1998:28; Tyson, 1996:37). Nevertheless, despite disappointments in housing delivery, NEDLAC points out the government has provided 1 million low-cost housing subsidies since 1994. (Business Day, 2000i:2).

To address the food shortages problem, the government's agricultural department, backed by the United Nations Food and Agriculture Organisation, has targeted the rural poor for a food security programme. (Business Day, 2000e:8). This programme forms part of the governments integrated rural development strategy that aims to improve economic opportunities for poor communities through farming ventures. (Business Day, 2000e:8).

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<sup>39</sup> *The housing projects aim at creating a partnership between the government and the people by way of mobilising the people's participation in shelter provision through savings. (Sowetan, 2000g:2). The projects employ the most needy workers (women, youth and the disabled), within specific communities. (Vlok, 1998:28). During the projects, training and skills development take place so as to ensure that workers in the projects can find jobs after their completion. (Vlok, 1998:28). In addition, the private sector has been called upon to assist low cost housing by way of large scale investment to improve upon retarded delivery and the housing backlog. (Klaas & Siluma in Sowetan, 2000:8).*

In its ongoing effort to address the housing and food shortages issue, it could be argued that within the South African society, the current government, in opposition to Hyman's argument, is not attempting to resist social policies designed to cushion the situation of the losers. (Hyman in Regini, 1996:152).

Although a considerable underclass are suffering deprivation, the progressive socio-economic programmes created to facilitate the upliftment of this class are not at odds with the government, as these policies have been designed and implemented by the government itself. In this instance, the South African economy is therefore not the typical 'two-thirds, one-third economy' as described by Hyman, in which the majority prosper economically whilst a large underclass suffers deprivation. (Hyman in Regini, 1996:152).

Nonetheless, the relative social stability and peace produced by the government are based upon rising expectations. (Nelán, 1999:24). Despite the fact that the government has reoriented spending toward social programmes from which the poor derive strong benefits, it remains far from clear that this has been matched by a similar improvement in delivery. (Business Day, 2000n:15). This becomes significant when bearing in mind that, although the have-nots are illustrating patience, the potential for upheaval is apparent. (Nelán, 1999:24). This makes it imperative for the government to ensure that the poor, who usually do not have much political influence, are serviced effectively by the state. (Business Day, 2000n:15).

Put differently, as long as the government continues with its attempts to fulfil the promise of improving the lives of millions of still impoverished black South Africans, the poor are likely to stay on course. (Nelán, 1999:24). However the potential certainly exists for inter-group conflict and a division that will spill over from collective bargaining and into the broader political arena. (Hyman in Regini, 1996:152). In turn, this would contribute to the disaggregation of the South African labour movement. (Hyman in Regini, 1996:191, 192).

It is evident that the current crisis of poverty and underdevelopment, bequeathed to the post-1994 South African governments by Apartheid, has substantial potential to influence the aggregation or disaggregation of the labour movement. (Sowetan, 1999a:2). Cosatu and the ANC government enjoy their widest support from the African segment of the population, 95% of which also represent the country's poor and impoverished. (Heintz & Jardine, 1998:18; Nelán, 1999:50). In order to satisfy and secure the continued allegiance of this large following, the government must fulfil its policies of addressing pervasive poverty and underdevelopment. (Business Day, 1999a:4).

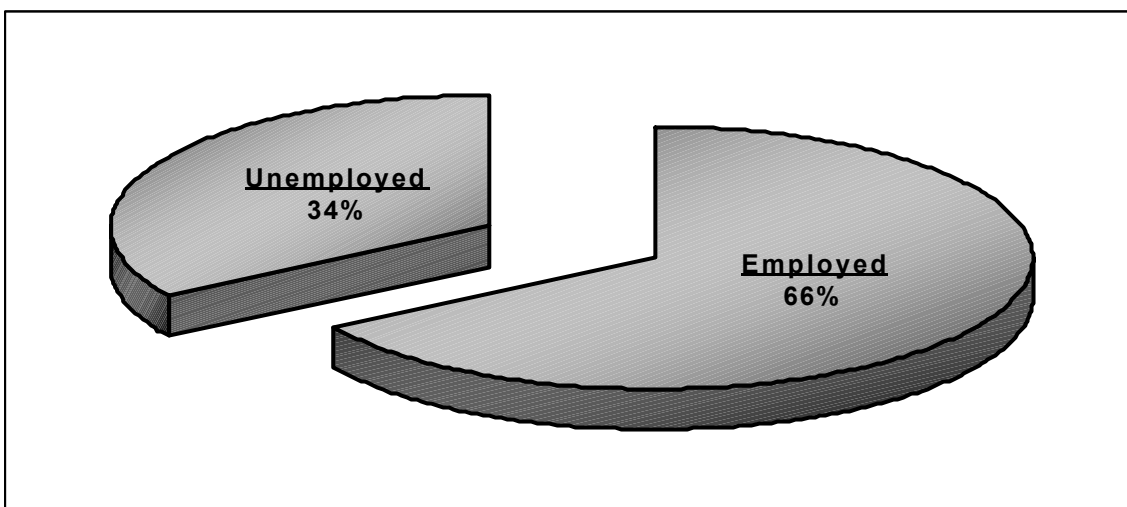
For their part, both Cosatu and the government attach high priority to redressing poverty by constitutionally guaranteeing the right of everyone to a decent life. (Ray, 1998b:12). To achieve the progressive realisation of this right, Cosatu insists that the state takes reasonable legislative measures. (Ray, 1998b:12). Essentially, an agenda of popular mobilisation for socio-economic delivery is required, so as to avoid the possibility of a social movement arising out of the poors' social discontent. (Ray, 1998b:12, 13). Should this fail to occur, the potential for inter-group conflict is a likelihood that will most probably impact in a negative manner upon the membership and support for those unions belonging to Cosatu. (Hyman in Regini, 1994:152).

### **6.2.2 Unemployment**

Unemployment in South Africa is primarily a structural problem, derived from the historical legacy of the Apartheid economy. (Bethlehem, 1996:57; Naledi, 1998b:20). The racial segmentation of the workforce, the systematic underdevelopment of skills and the dependence on low-wage, exploited black labour have all contributed to the current high unemployment figures. (Focus on Nedlac, 1997:42, 45; Naledi, 1998b:20). Within South Africa unemployment is highly segmented, with women, youth and people living in rural areas facing a much higher probability of finding themselves unemployed. (Naledi, 1998b:23). This has devastating implications for income distribution and the poverty rate. (Naledi, 1998b, 23).

At present South Africa has an economically active population of 13.8 million, 34% of which are unemployed (See Table 6.6). (Department of Labour, 2000:n.p; Sowetan, 1999b:17; Focus on Nedlac, 1997:42, 45; Cosatu, 1999:n.p). This figure jumps to roughly 46% if the 2.6 million working in the informal sector are considered unemployed or underemployed. (Tyson, 1996:114). It is estimated that as of 2000, there will exist almost four times the number of unskilled workers as job opportunities, but twice as many skilled job opportunities as qualified workers. (Tyson, 1996:114).

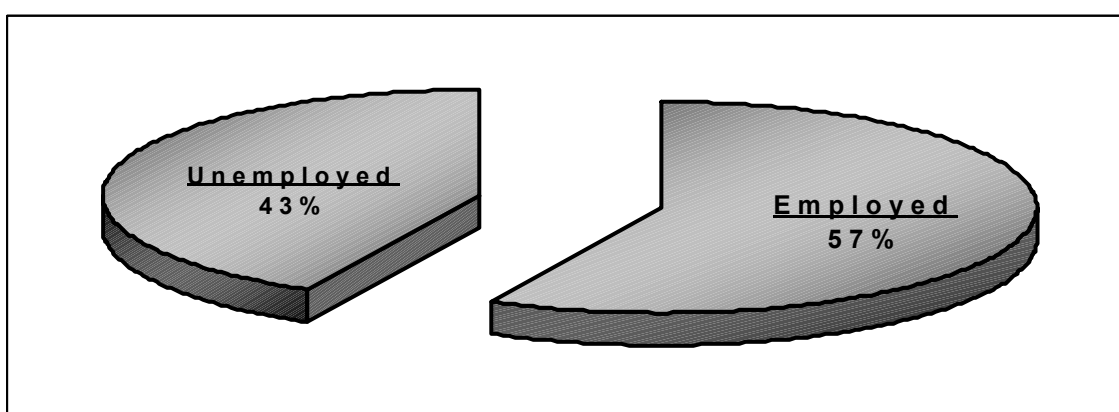
**Table 6.6: Incidence of Unemployment within South Africa's Economically Active Population.**



Source: Department of Labour, 2000a:n.p

The segment of the South African population worst effected by unemployment comprises the largest segment - the black population in which 43% of all Africans are unemployed (See Table 6.7). (Department of Labour, 2000a:n.p; Hawthorne, 1999b:64). At the same time, the population continues to grow at a rate of 2.5% per year, meaning that at present the South African economy is unable to create enough jobs to match the growth of the workforce. (Nelán, 1999:51). An economic growth rate of 5% per year is required to absorb all new entrants into the labour market. (Naledi, 1998a:18).

**Table 6.7: Incidence of Unemployment amongst South Africa's African Population.**



Source: Department of Labour, 2000a:n.p

Approximately 65% of the workforce is employed in the non-agricultural sector, with manufacturing and construction accounting for 12% of those jobs and by government services which accounts for 15%. (Department of Labour, 2000a:n.p). At the same time, the economy continues to lose roughly 100 000 jobs per year as a result of the restructuring of major industries such as construction, which shed 21.3% of its jobs between 1990 and 1996, and mining, which shed 27.5% of all jobs during the same time period.



(Redman, 1999:65; Naledi, 1998a:18). To add to the concern of unemployment, Cosatu has published the fact that during 1999, 150 000 jobs were lost in the mining sector; 110 000 jobs were lost in the manufacturing sector and 100 000 jobs were lost in the building sector thereby making a total of 360 000 jobs lost in these sectors collectively. (Cosatu, 1999:n.p). In comparison, there are 370 000 new job seekers per year. (Cosatu, 1999:n.p).

The high unemployment levels directly impact upon the high rates of crime experienced in South Africa. (Nelán, 1999:51). High crime rates, in turn, do much to deter long-term foreign investment which is required to bolster economic growth. (Sowetan, 2000h:24). This is reflected by way of a 1999 survey, conducted by the German Chamber of Business, which reflects a decrease in confidence in South Africa, and a less than 50% positive assessment of new business prospects. (Hawthorne, 1999a:41). The Foreign Direct Investment Confidence Audit, conducted in March 2000, found that only 2% of foreign investors felt confident in investing in South Africa, whilst 57% of those surveyed cited crime as their largest area of concern. (Business Report, 2000a:7; Hawthorne, 1999b:41; Pretoria News, 2000c:3).

Such high levels of unemployment, crime and low job security do much to feed the growing poverty and inequality that comes in the wake of low pay, or in some instances, no pay. (Kelly, 1997:394). This creates problems of worker alienation and jeopardises social cohesion, thereby creating conditions in which antagonisms between core, peripheral and unemployed workers within the labour movement can be expected to occur. (Kelly, 1997:394; Hyman in Regini, 1994:151).

To avert the possibility of jeopardising social cohesion, the government and trade unions have recognised that state intervention to boost labour demand is required. (Business Day, 2000o:2; Kelly, 1997:397). This will enable the government to achieve its development goals which include extending the provision of basic services to the poor communities, and implementing structural, economic change in ways that will stimulate employment. (Business Day, 2000o:2). However, Kelly points out that full employment policies run by government must take into account the fact that an upgrading of work-force skills is unlikely to have much impact on levels of labour demand. (Kelly, 1997:396). Instead, the goal of full employment requires a programme of job creation. (Kelly, 1997:396).

The South African government recognises the need to develop effective job creation strategies that will assist in eliminating poverty, inequality and unemployment. (Heintz & Jardine, 1998:19). For government, a programme of job creation and enhancement offers a solid foundation for lowering poverty. (Naledi, 1998b:20). The South African government argues that big business can not be held responsible

for creating the jobs South Africa needs: attention must be turned to smaller businesses, which are seen as the engines of job creation. (Redman, 1999:65). Action is therefore required from both small and medium sized concerns that can develop new businesses into major companies. (Redman, 1999:66). Hence there has been the recognition that the country needs to shift its balance so that the interests of small businesses are given greater weight<sup>40</sup>. (Nelán, 1999:56).

The Department of Trade and Industry has embarked on a programme that provides support for small, medium and micro enterprises (SMMEs)<sup>41</sup>. (Sowetan, 2000n:28). In addition, the Department of Labour has implemented a campaign in which waste collection in poorly serviced or under-serviced areas is linked to small recycling operations run by small business entrepreneurs<sup>42</sup>. (Sowetan, 1999e:2). Moreover, South Africa's three largest trade union confederations, Cosatu, NACTU and FEDUSA, have created the Labour Job Creation Trust to counteract the current trends of retrenchment and unemployment. (Sowetan, 1999c:2; Business Day, 1999b:3; The Citizen, 2000d:6). In the 1998 Jobs Summit, a social plan<sup>43</sup> was devised, aimed at situations in which there are large-scale retrenchments. (Focus on Nedlac, 1998:46). The plan proposes that unions take a number of steps to assist those people who are to be retrenched, and who would like to start their own businesses. (Focus on Nedlac, 1998:46). This includes approaching SMME support agencies on behalf of employees. (Focus on Nedlac, 1998:46).

At this stage, it remains unclear as to whether the reorientation of government spending on job creation programmes, from which the unemployed derive strong benefits, will be matched by a similar improvement in delivery. (Business Day, 2000n:15). Nonetheless, such projects show commitment on the part of the government and unions toward addressing the unemployment problems experienced by

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<sup>40</sup> An initial step in this process has been made by the launch of a small business mentorship programme by an agency created under the Small Business Act. (Business Day, 2000p:6). The agency, known as Khula Enterprise Finance, provides support and business training for potential and existing entrepreneurs. (Business Day, 2000p:6). As banks are often reluctant to lend money to start-up businesses, Khula Enterprise Finance also provides wholesale finance to small and medium enterprises. (Business Day, 2000p:6). At present, the programme is operating out of pilot offices in four of South Africa's nine provinces. (Business Day, 2000p:6). Should these offices prove to be successful, the programme will be expanded to the additional five provinces. (Business Day, 2000p:6).

<sup>41</sup> This programme makes use of the Industrial Councillor's Resource Book, which is intended to enhance efficient on-the-spot appraisal solutions for small business problems. (Sowetan, 2000n:28). The aim behind the programme is to reach SMMEs before they fail. (Sowetan, 2000n:28).

<sup>42</sup> Beyond creating jobs, this programme hopes to generate key forms of infrastructure and services that can underpin the promotion of sustainable jobs in the private sector (Sowetan, 1999e:2). This campaign is supported by both the public and private sector in its effort to address rural poverty through job creation. (Sowetan, 1999e:2).

<sup>43</sup> The social plan also aims to target unemployed youth by employing them in public works and community service programmes, such as Working for Water and the Campaign against HIV/Aids. (Focus on Nedlac, 1999:47). They will receive an allowance, as well as accredited education and training. (Focus on Nedlac, 1998:47). Funding for these programmes is provided, amongst other sources, by the Labour Job Creation Trust. (Focus on Nedlac, 1998:47; The Citizen, 2000d:6). The trust has collected over R60 million to date. (Daily News Bulletin, 2000a:n.p; The Citizen, 2000d:6).

the South African labour force at present. If such programmes create jobs, social cohesion ought to remain in tact. (Kelly, 1997:397).

In a further effort to appease the interests of the unemployed and disadvantaged, the government has taken steps to address the disproportionately high unemployment levels amongst South Africa's African, female and disabled populations, the African segment of which constitutes the poorest and thus the most likely to pose a threat to social cohesion. (Kelly, 1997:397; Department of Labour, 2000a:n.p; Hawthorne, 1999b:64). The Employment Equity Act (EEA) of 1998 provides guidelines for companies to promote occupational equity by encouraging the equal representation of African, female and disabled workers. (Ray, 1998c:52; Daily Mail and Guardian, 2000a:n.p).

So as to break with the legacy of racial discrimination that characterised the Apartheid workplace, and to facilitate mechanisms that will bring about equity and union-management consultation procedures, the EEA proposes that companies with more than fifty workers reflect national or regional demographics. (Ray, 1998c:52; Pretoria News, 2000f:15; Sowetan, 2000o:3; Daily Mail and Guardian, 2000a:n.p). South Africa hence requires a representative workforce of 75% African, 52% female and 5% disabled workers. (Ray, 1998c:52). Cosatu stipulates that the EEA will deepen the social and economic transformation process. (Ray, 1998c:53; Pretoria News, 2000f:15; Sowetan, 2000o:3; Daily Mail and Guardian, 2000a:n.p).

However, there exist two major limitations to the EEA. Firstly, measures to ensure employment are vague; secondly, employers are not forced to employ unqualified workers despite the fact that the highest skills shortage exists amongst the disadvantaged groups supposed to benefit from the Act. (Ray, 1998c:53). At best, the EEA can be expected to change the complexion and gender profile of a new breed of managers and skilled workers. (Ray, 1998c:53). If so, it may go a long way toward diffusing any potential conflict that may arise from those disadvantaged groups that stand to benefit from the Act.

Yet, based on the submission of the recent employment equity reports, (received from 2170 out of 3083 large companies), it appears that many companies have done little in the past two years to change the racial composition of their senior management<sup>44</sup>. (Sowetan, 2000o:3; Pretoria News, 2000f:15; Woza News, 2000a:n.p; Beeld, 2000a:n.p; Business Report, 2000f:n.p).

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<sup>44</sup> 40% of large companies failed to submit their reports. (Cosatu Press Statement, 2000a:n.p; SABC News, 2000a:n.p). Cosatu argues that, "These pieces of legislation came into being as a result of a hard-fought struggle by the entire working class of our country". (Cosatu Press Statement, 200a:n.p). Lack of compliance indicates that employers are not prepared to take the necessary steps to address inequalities in the work place. (Cosatu Press Statement, 2000a:n.p).

An initial analysis of the reports submitted indicated that the employment equity position in most companies was disappointing. (Business Report, 2000f:n.p; SABC News, 2000a:n.p). While a 1998 survey showed that 27,8% of black people were in senior management positions, the reports submitted in terms of the EEA showed little change at 28% two years later. (Pretoria News, 2000f:15; Business Report, 2000f:n.p). The reports indicate that 24% of managerial positions are held by women, of which 7,8% are occupied by African women. (Beeld, 2000a:n.p; Pretoria News, 2000f:15). The 1998 figure for managerial positions held by women was also 24%. (Beeld, 2000a:n.p; Pretoria News, 2000f:15). Roughly 0,6% of disabled people were in senior management, which compares well with the 1998 figure of 0,12%. (Business Report, 2000f:n.p).

Despite the problems experienced with implementation and delivery of certain job creation South African trade unions argue that job creation encourages the building of trade unions, as unions grant workers the opportunity to engage in collective action and bargaining so as to regulate the conditions of their employment. (Naledi, 1998b:20). These developments indicate that South African trade unions see the current unequal distribution of resources and the resultant programmes of job creation as an opportunity to increase their membership and respective strength. (Naledi, 1998b:20).

Thus, despite global trends toward a process of bureaucratisation and a diminishing internal democracy within unions, South African unions see themselves as playing a vital role in job creation. This, in contrast to global trends, requires the maintenance and strengthening of the tradition of collective discussion and action. (Naledi, 1998b:24). A consolidation and expansion of the union movement's membership base and a position that will enable it to mobilise and take action is also required. (Naledi, 1998b:24). South African unions, grouped under Cosatu, have therefore taken steps to achieve these initiatives.

One such measure has been the implementation of recruitment programmes which have been directed toward those who until recently were under-represented within the South African labour force. (Shopsteward Editors, 1995a:n.p). Women comprise one such group who face constrained access to employment owing to factors such as gender stereotypes; and once employed, they face discrimination and disadvantage. (Tshoaedi, 1998:54). Whilst being the last to benefit from periods of employment growth, women are the first to suffer when employment levels fall and are generally found in less secure jobs. (Document, 1998:43; Naledi, 1998c:37). Cosatu argues that owing to their previous under-representation, women's concerns need to be directly integrated into all economic policy development. (Document, 1998:43).

This has placed South African trade unions at the forefront of struggles for gender equality at the workplace<sup>45</sup>. (Tshoamedi, 1998:54). To extend female employment not only within the workplace, but within the organisation itself, Cosatu resolved to enable female members to advance within the confederation, the aim being to represent women in leadership positions in proportion to their numbers. (Shopsteward Editors, 1995a:n.p). Although a slow process, by 1990, 36% of Cosatu's membership were women, and by 1995, Cosatu had its first female vice-president. (Shopsteward Editors, 1995a:n.p; Baskin, 1998:12).

The National Union of Metalworkers of South Africa (NUMSA), (one of South Africa's largest unions which is affiliated to Cosatu), which has taken steps to increase its number of female shop stewards. (Jantjies & MacQuene, 1998:68; Tyson, 1996:114). NUMSA has re-aimed its recruitment strategies at companies in which there exist a higher incidence of female employees. (Jantjies & MacQuene, 1998:68). The illustration of commitment to gender equity by Cosatu, and its affiliated unions such NUMSA, has not only succeeded in attracting more female members (women now comprise 42% of the workforce, 31.9% of which are unionised), but has also led to the successful development of campaigns aimed to ensure the employment of more women in male dominated industries. (Department of Labour, 2000a:n.p; Jantjies & MacQuene, 1998:68; Crankshaw, 1997:29; Baskin, 1998:12).

In this way, although job insecurity, underemployment and under-representation does raise the possibility of conflict within South Africa's labour class, Cosatu's initiative to recruit women, represent them and improve their job security has gone a long way toward increasing its female membership base. (Baskin, 1998:12; Jantjies & Macquene, 1998:68; Naledi, 1998b:68). This in turn has maintained and consolidated the strength of this organisation. (Baskin, 1998:12; Jantjies & MacQuene, 1998:68; Naledi, 1998b:24).

Thus, rather than reflecting declining membership levels and effectiveness, as well as a retreat from solidaristic programmes and a vacuum of integrating strategy, the drive to recruit and represent women has instead brought about a new method of organisation, action and internal democracy within the confederation and its unions. (Hyman in Regini, 1994:151, 164). The attempt to organise under-represented groups such as women, in the face of high unemployment, can be said to bring about the aggregation as opposed to the disaggregation of the South Africa labour movement. (Hyman in Regini,

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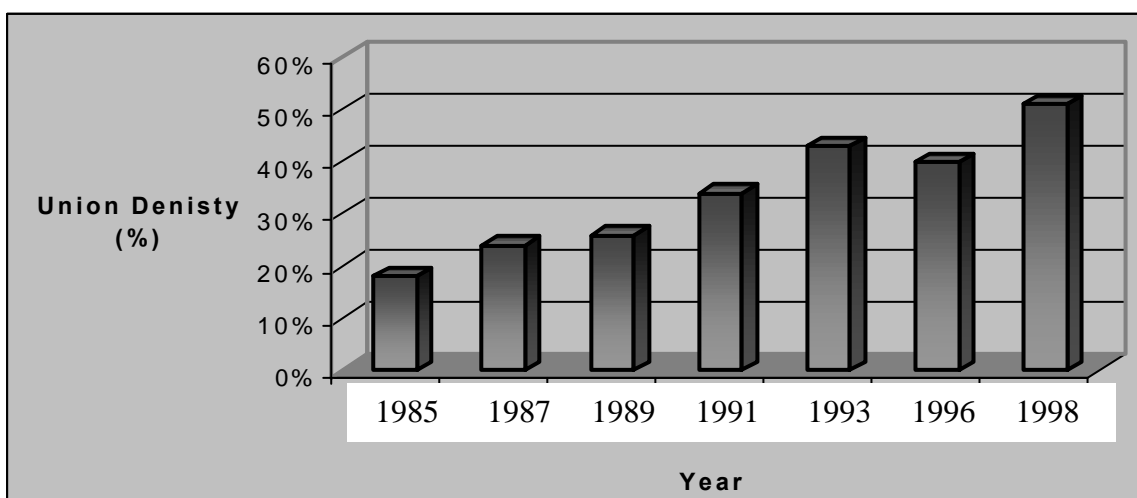
<sup>45</sup> The Self Employed Women's Association (SEWA) was formed in 1994 to develop the building blocks for a trade union that caters for self employed women. (Masangwane 1998:59). SEWA aims specifically at organising female domestic workers amongst whom unionisation rates are the lowest. (Masangwane 1998:59; Horn, 1998:72; Baskin, 1998:13). The need for unions like SEWA is clear when taking into account that there are close to a million domestic workers in South Africa – a number that exceeds the number of workers in both agriculture and mining. (Rees, 1998:53). The sector is overwhelmingly African and largely female, with a third of all women in South Africa employed as domestic workers. (Rees, 1998:53).

1994:164). These facts go a long way toward highlighting the strength and authority of Cosatu despite high levels of unemployment.

In addition, the unemployment crisis resulted in Cosatu's Jobs Campaign to address job losses. (Cosatu, 1999:n.p). This saw the federation embark on a nationwide stay away that resulted in an estimated 40% of the workforce downing tools. (Business Day, 2000h:1). It is estimated that the strike cost the economy R3,2 billion and reduced growth by half a percentage point. (Business Day, 2000h:1). In the short term, the strike served as a reminder of the union's capacity to disrupt South Africa's recession-stricken economy. (Pretoria News, 2000e:9). In the long term, it is expected that the action will result in gains for the economy as government, business and labour commit themselves to delivering the promised better life for all in South Africa. (Business Day, 2000q:5; Pretoria News, 2000e:9).

Cosatu's ability to mobilise its membership around issues such as unemployment and job loss, contrasts with Hyman's theory of disaggregation, in which he argues that high levels of unemployment can result in a weakening of the authority of central confederations and declining levels of membership. (Hyman in Regini, 1994:151). With a union density that has increased from 18% in 1985 to 51% in 1999, it can be seen that a shift from collectivism to individualism has not taken place in South Africa (See Table 6.8). (Bezuidenhout, 2000:n.p). Apart from the increase in female membership levels, there is also a growing trend for white-collar and professional employees to unionise, meaning that most unions in Cosatu have seen an increase in white-collar membership since 1994. (Shopsteward Editors, 1995f:n.p; Shopsteward Editors, 1995a:n.p).

**Table 6.8: Union Density in South Africa, 1985 – 1998.**



Source: Bezuidenhout, 2000:n.p

Union density in clothing, textile and auto sectors stands at over 90%, whilst mining, manufacturing and transport have union densities of 50% upwards. (Crankshaw, 1997:29; Baskin, 1998). Unionisation within the mining sector continues to increase despite the decline in the total mining workforce, which represents the strength of Cosatu's largest affiliate, the National Union of Mineworkers (NUM). (Pretoria News, 1999a:1; Baskin, 1998:11; Crankshaw, 1997:29; Focus on Nedlac, 1997:42, 45). Membership continues to grow in the public service, despite the fact that these workers have both similar as well as different concerns to those of private sector workers. (Shopsteward Editors, 1995f:n.p). These facts represent not only relative cohesion within the labour force represented by unions, but also a trend that illustrates a shift from individualism to collectivism and not the other way around, as postulated in Hyman's disaggregation theory. (Hyman in Regini, 1994:151).

The move from individualism to collectivism is not only reflected by way of increasing membership but also by way of Cosatu's merger programme aimed at achieving the goal of 'one union, one industry'. (Shopsteward Editors, 1995e:n.p). In line with the principle of industrial unionism, Cosatu's 19 affiliates are now spread over 13 industrial sectors by way of mergers that have taken place<sup>46</sup>. (Shopsteward Editors, 1995e:n.p). Mergers involving non-affiliates have brought large numbers of non-Cosatu members into the organisation, thereby allowing for the further expansion of membership levels. (Shopsteward Editors, 1995e:n.p). Additionally, mergers have helped to extend organisation and resources to remote, difficult to organise places, have strengthened the non-racial character of the organisation and have strengthened Cosatu affiliates in central bargaining forums. (Crankshaw, 1997:33; Shopsteward Editors, 1995f:n.p).

### **6.3 CONCLUSION**

As Table 6.9 indicates, labour weakness, as a product of unemployment and recession, does not appear to paralyse the efforts of the South African labour movement. (Regini, 1994:9). In the face of economic decline, poverty and growing unemployment, there has been the continued growth in the South Africa labour movement, and not a decline. (September, 1995:44).

**Table 6.9: The Effect of Variations in Socio-economic Factors on Union Strength in South Africa**

<b>POSSIBLE INDEPENDENT VARIABLE</b>	<b>POSSIBLE DEPENDENT VARIABLE</b>
<b>Variations in Socio-economic Factors</b>	<b>Variations in South African Union Strength</b>
Recession	Aggregation
Poverty	Aggregation
Unemployment	Aggregation

Hyman argues that whilst phases of economic growth create conditions in which competing interests can be reconciled, recession, in contrast, tends to increase prospects of inter-group conflict. (Hyman in Regini, 1994:152). Although this has proved to be the case in Western Europe which has experienced a decline in membership levels during the economically depressed years of the 1980s, South African unions have proved historically resistant to periods of recession. (Streeck in Regini, 1994:253; Waddington and Whitston, 1997:516; Salamon, 1998:97; Van Der Watt in Jacobs, 1984:60).

The economy today continues to represent a population prone to high levels of poverty. (Heintz & Jardine, 1998:18; Nel, 1997:10; Business Day, 1999c:4; Nelan, 1999:54). Hyman argues that in such situations, the gainers in society may resist social policies designed to cushion the situation of the losers. (Hyman in Regini, 1994:152). This has not occurred within South Africa. Instead, the winners (the South African government and Cosatu) have been at the forefront in creating housing schemes and food shortages programmes aimed at cushioning the situation of the losers (the country's poor). (Pretoria News, 2000a:n.p; Vlok, 1998:27; Business Day, 2000e:8). Thus, the uneven distribution of power and resources within society can be said to shape the collective strength of the South African labour movement and determine the broader policy agenda. This in turn, according to Hyman, depicts an aggregate, and not a disaggregate labour movement. (Hyman in Regini, 1994:163).

Within South Africa, roughly 34% of the economically active population is currently unemployed and 39% of the population is poor. (Department of Labour, 2000:n.p; Sowetan, 1999b:17; Business Day, 2000e:8; Natrass and Seekings, 1996:66; Sitas, 1998:16). To redress these facts, the South African government and Cosatu have launched programmes, the Labour Job Creation Trust and shifted the balance of interest to the development of small businesses. (Redman, 1999:65; Sowetan, 1999c:2; Sowetan, 1999e:2; Business Day, 1999b:3; Ray, 1998c:52).

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<sup>46</sup> As discussed in Section 4.4.2 and 4.4.5 of Chapter 4.



Trends of recession and unemployment have brought about a renewal of South African trade unionism which has led to the development of new demands in collective bargaining, new methods of organisation and action, and new forms of internal democracy. (Hyman in Regini, 1994:164). This has facilitated the construction of new types of encompassing and solidaristic alliances within the South African labour movement, thereby implying that disaggregation of labour movements brought about by conditions of economic recession and high levels of unemployment is not inevitable. (Hyman in Regini, 1994:164). Instead the South African labour movement appears to fit more accurately with Hyman's counter argument - the uneven distribution of power and resources within society can also shape collective strength and determine the broader policy agenda embraced by aggregate labour movements. (Hyman in Regini, 1994:163).

The conclusion is reached that in addition to union strength being linked to transitions in the long waves of the economy (as argued in Chapters 4 and 5), the reaction of South African unions to recessive socio-economic factors can also account for their strength.

**SECTION 2: CHAPTER 7**

**THE IMPACT OF SOCIO-ECONOMIC VARIABLES ON GERMAN UNIONISM**

**7.1 INTRODUCTION**

This chapter uses Hyman’s Theory of Disaggregation (described in Chapter 3, Section 3.3) to examine the response of the German labour movement toward those socio-economic factors that are related to a recessive climate. As illustrated in Table 7.1, the effect of the independent variables of recession, poverty and unemployment upon the dependent variable of union strength will be examined to determine what role these independent variables play in the aggregation or disaggregation of the German union movement.

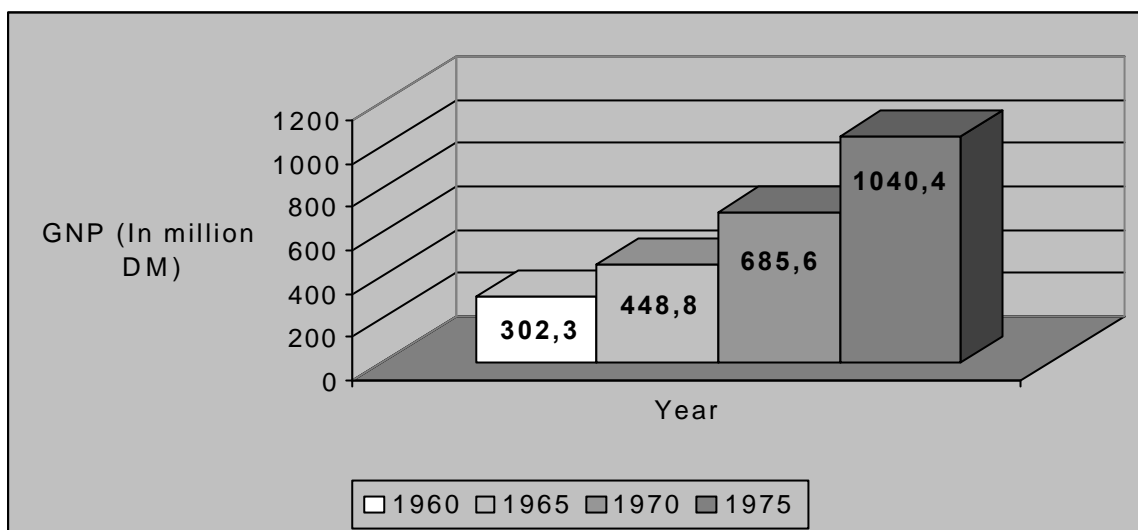
**Table 7.1: A Study of Variations in Socio-economic Factors on Union Strength in Germany**

<b>POSSIBLE INDEPENDENT VARIABLE</b>	<b>POSSIBLE DEPENDENT VARIABLE</b>
<b>Variations in Socio-economic Factors</b>	<b>Variations in Union Strength</b>
<ul style="list-style-type: none"> <li>- Recession</li> <li>- Poverty</li> <li>- Unemployment</li> </ul>	<ul style="list-style-type: none"> <li>- Aggregation</li> <li>- Disaggregation</li> </ul>

**7.2 THE IMPACT OF RECESSION LINKED SOCIO-ECONOMIC FACTORS ON GERMAN UNIONISM**

Following a short period of economic reconstruction and recovery after World War Two, Germany enjoyed a high economic growth rate in the 1950s which continued throughout the 1960s and led to the full absorption of the available domestic labour force in the 1970s. (Park in Bergmann & Tokunaga, 1981:69). Indeed, the importation of foreign workers was required to supplement the labour shortage at the time. (Park in Bergmann & Tokunaga, 1981:70). Economic growth, coupled with low inflation rates led to an expansion of the GNP from 0,3 million in 1960 to 1,0 million by 1975 (See Table 7.2). (Internationales Institut für Management und Verwaltung, 1979:4).

**Table 7.2: GNP for Germany, 1960 – 1975.**



Source: Statistisches Jahrbuch, 1976.

Economic growth and success during the 1960s was not limited to Germany. Most of the Organisation for Economic Co-operation and Development (OECD) countries in Western Europe enjoyed rapid economic growth coupled with low unemployment at this time. (Visser in Regini, 1994:18). In line with Hyman's argument that phases of economic growth create conditions in which competing interests can be reconciled, strike activity in Germany was very low, and stoppages typically quite short (See Table 7.3). (Hyman in Regini, 1994:152; Shalev in Regini, 1994:107).

In agreement with Kelly's argument that transitions in the economy are reflected by union mobilisation, Western Europe experienced a transition to an economic downswing between 1967 and 1975, which saw a general increase in the scope of strike activity across Europe. (Kelly, 1998:86; Hyman, 1994:88). Although a wave of mobilisation did occur in Germany at this time, Germany's strike level remained one of the lowest within Western Europe (See Table 7.3). (Hyman, 1994:88). The incidence of strikes remained stable in Germany during the 1970s despite the effect of the oil shocks (namely stagflation and rising unemployment) experienced by most countries, including Germany (See Table 7.3). (Shalev in Regini, 1994:107).

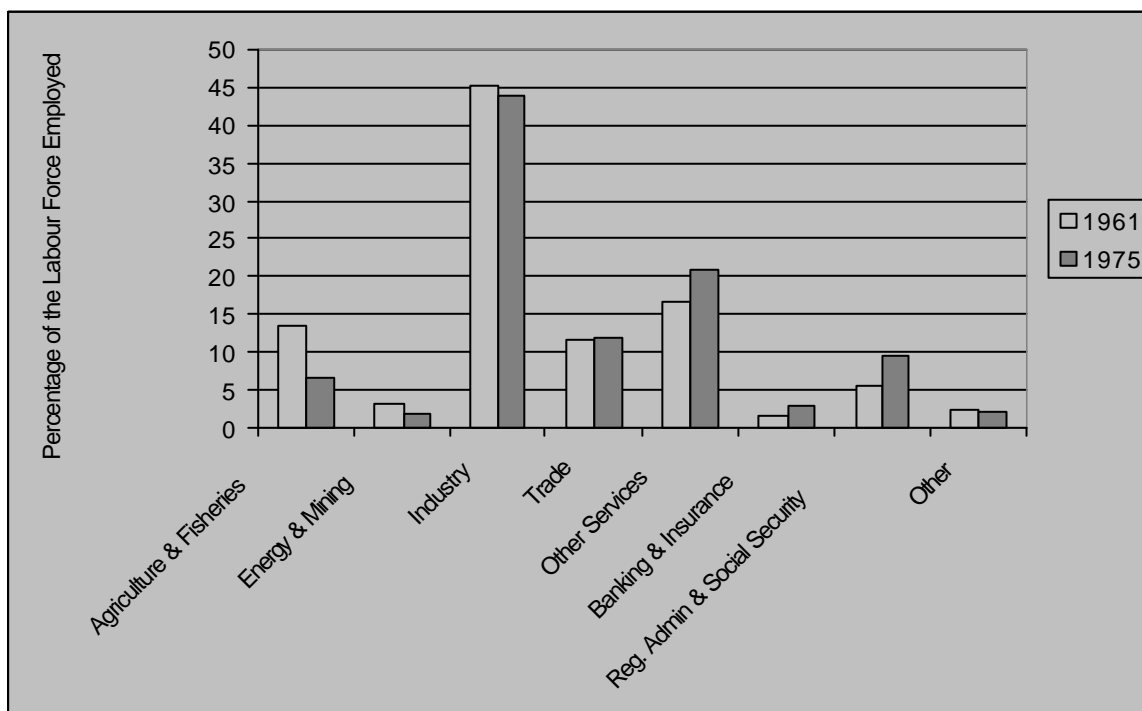
**Table 7.3: Industrial Conflict in Western Europe, 1960 – 1989.**

	<i>Relative Involvement: Workers Involved in Stoppages per 1000 Employees in Employment.</i>			
	1960 - 1967	1968 – 1973	1974 - 1979	1980 – 1989
<i>Norway</i>	1	1	4	5
<i>Germany</i>	2	5	5	4
<i>Ireland</i>	30	50	48	33
<i>Austria</i>	117	229	277	129
<i>France</i>	148	155	81	25
<i>Italy</i>	194	353	616	409

Source: Shalev In Regini, 1994:105.

However, the recession of 1974, caused by the first oil crisis, saw the point at which unemployment began to increase in Germany. (Visser in Regini, 1994:18; Streeck, 1987:15). Structural changes in the economy at large and organisational changes at the company or plant level brought about a rise in unemployment from 0,7% in 1970 to 4,9% in 1977. (Internationales Institut für Management und Verwaltung, 1979:4). The composition of the labour force began to change with the traditionally strong blue-collar sectors (agriculture, mining and industry) showing a decline in employment, whilst white-collar fields such as trade, services, banking and administration recorded an increase in employment (See Table 7.4). (Internationales Institut für Management und Verwaltung, 1979:5).

**Table 7.4: Structure of the German Labour Force in 1961 and 1975 (in %).**



Source: Statistisches Jahrbuch, 1966; 1976:n.p.

To cope with the unemployment crisis, the German state played a strong role in German industrial relations in the 1970s<sup>47</sup>. (Streeck, 1987:1). Legal intervention was designed to strengthen the role and organisation of the unions so as to grant them responsibility for effective industrial self-government. (Streeck, 1987:1). Despite a slight increase in the strike rate of German unions at this time (See Table 7.3), the institutional rigidities of this system kept industrial conflict to a minimum, and enabled employers to recover from their profitability crisis and improve their competitive position in international markets. (Visser, 1998:289).

However, with the deteriorating conditions of the labour market in the mid to late 1970s, Germany was confronted with the challenge of transforming its economy and labour market to overcome recession, rising unemployment and improve the efficiency of the economy. (Baglioni in Crouch & Baglioni, 1990:5). The government directed its focus on lowering inflation and budget deficits, whilst firms engaged in industrial restructuring to improve competitiveness via technological innovation, and new products and new standards for the utilisation of labour. (Baglioni in Crouch & Baglioni, 1990:6; Jacobi & Müller-Jentsch in Crouch & Baglioni, 1990:180).

Streeck argues that neo-corporatist institutions of industrial relations, such as those found in Germany at the time, tend to prove less sensitive to changes in the balance of market power between employers and trade unions. (Streeck, 1986:23). Yet, despite the fact that the DGB (German Trade Union Federation), DAG (German White-collar Union) and DBB (German Federation of Civil Servants) continued to enjoy a growth in membership throughout the 1970s, the worsening economic situation in Germany did result in a weakening of unions influence at both company and shop level. (Park in Bergmann & Tokunaga, 1987:71; Streeck, 1987:Table V). Unions were forced to retreat and their strength declined significantly in terms of their actions, image and recognised grounds of union legitimacy and representativeness. (Baglioni in Crouch & Baglioni, 1990:4).

This sentiment is further supported by the loss of ground in terms of coverage that both the system of collective bargaining and plant level co-determination experienced. (Hassel, 1999:487). Coverage by works councils has continued to decrease since the 1980s as illustrated by the fact that the number of employees in plants with works councils shrunk between 1981 and 1990 from 8,7 to 8,3 million employees. (Hassel, 1999:488). To a certain extent the decrease in coverage is due to the problems of

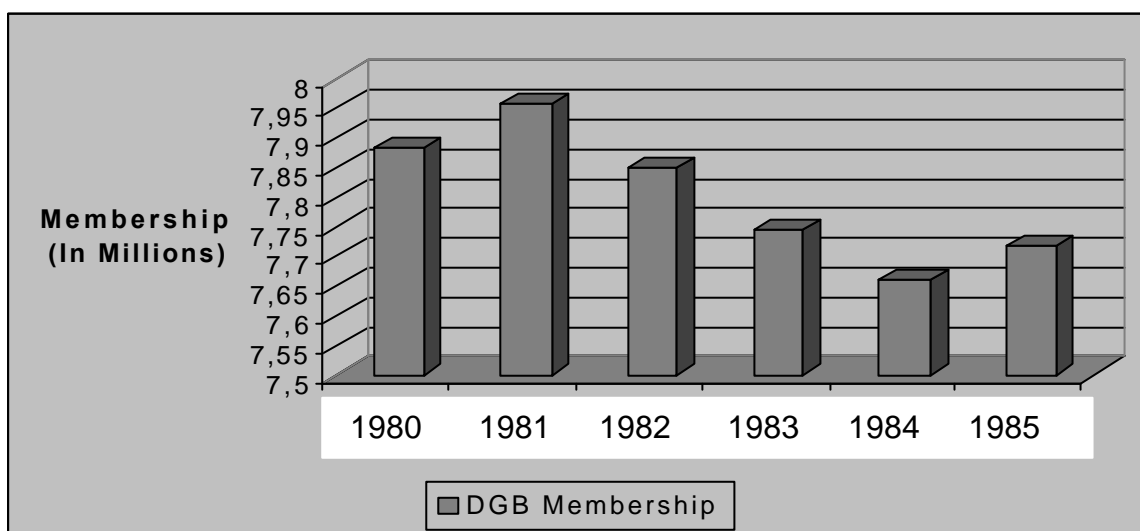
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<sup>47</sup> As with other corporate economies, German industrial relations allowed for an institutionalised participation of organised interests in the formation and implementation of public policies, the centralised and comprehensive organisation of workers and employers and consensual bargaining. (Visser, 1998:287). Trade unions and employers' associations interacted with each other and the state in a number of legally structured institutional settings and policy areas. (Streeck, 1987:2).

trade union organisation after unification, which resulted in a lower level of participation in works council elections in the Eastern states. (SPD, 2000a:n.p; DGB, 2000g:n.p).

Membership in the DGB enjoyed a slight increase of 75 000 members in 1980 and 1981, before decreasing steadily by a total of 239 000 members between 1981 and 1984 (See Table 7.5). The continued decrease in membership of the DGB during the early 1980s illustrates that in the course of the economic crisis, the initiative in industrial relations was shifted to the employers. (Jacobi & Müller-Jentsch, 1990:127). Although employers originally played an important role in shaping the modern industrial relations system, the 1960s and 1970s saw them mainly reacting to trade union demands. (Streeck, 1986:1). During the 1980s, the introduction of tighter management strategies in reaction to the unprecedented degree of economic uncertainty changed this situation. (Streeck, 1986:7). Thus, even corporatist institutional constraints could not preserve the institutional integrity of the unions against market pressures. (Streeck, 1986:24).

**Table 7.5: DGB Membership (in Millions), 1980 – 1985.**



Source: Streeck, 1987:Table V.

Within the context of the 1990s, economic adversity remains a source of division and disunity within the German labour movement. (Hyman, 1994:152). The world economic crisis has brought about a serious downturn in the German economy. (Schroeder, 1998:81; Hyman, 1994:152). The ensuing recession has impacted upon the structures of the labour market, and Germany has continued to experience rising unemployment coupled with union decline. (Geary, 1999:28; Hyman, 1994:152).

The most critical issue is that of unemployment which effects 4,1 million of Germany's 40,5 million economically active population (this translates to an unemployment rate of about 10%) and is expected to rise in the face of a growth rate that will drop below 2%. (Judt, 1998/1999:64; Sancton, 1999:23). At present, Germany requires a 3% growth rate to create the jobs required to absorb the unemployed. (Sancton, 1999:23). Conditions of high unemployment and recession can bring about a disaggregation of the working class. (Hyman, 1994:152). This is reflected in Germany by virtue of the fact that overall union membership has continued to decline in the 1990s (See Table 5.3 in Chapter 5). (DGB, 2000j:n.p; DGB, 2000l:n.p).

Pressure on the German economy can also be ascribed to German unification. (Schroeder, 1998:81). The transformation of the East German planned economy into a market economy along West German lines has run parallel with the world economic crisis of the 1990s. (Schroeder, 1998:81). Simultaneous pressure from the unification of Germany and the world economic crisis was therefore brought to bear on the new, united German economy. (Schroeder, 1998:81).

The construction of a performing economy which is able to create jobs has not yet succeeded, and East German industry has not recovered from the collapse of the Soviet Union, which was the former GDRs (The German Democratic Republic) most important trading partner. (Schroeder, 1998:81).

An additional contributing factor to Germany's current crisis of unemployment, rising exchange rates, high tax burdens and a too generous welfare system is the question of the new single currency for the European Union (EU). (Dussman, 1998/1999:128). Despite the agreed upon concept of the Economic and Monetary Union<sup>48</sup> Germans are reluctant to replace their stalwart Deutschmark with the uncertain Euro. (Garton Ash, 1998/1999:107). West Germans feel that they have had to contribute too much to raising East Germany after reunification in 1989, and are reluctant to assist the unemployed in France, Spain or other weaker EU economies. (Garton Ash, 1998/1999:107).

A change of government in Germany in the later part of the 1990s, resulting in further political upheaval. (SPD, 2000a:n.p). With the coming to power of a coalition government between Schröder's Social Democratic Party (SPD) and the Green Party in 1998, Schröder undertook to reform and modernise the German society by correcting social inequality, initiating tax reforms and encouraging new investment. (SPD; 2000a:n.p). To achieve some of these goals, Schröder proposed a 'pact for employment' to be maintained between unions, employer organisations and the government. (SPD, 2000a:n.p). However,

critics argue that such policies will prove unsuccessful in inducing sceptical entrepreneurs to make much needed investments that will create jobs. (Mayer, 1998:36).

Conflict has arisen over a proposed new law, backed by Schröder, which would ease the process for roughly 4 million immigrants currently living in Germany to obtain citizenship in Germany. (Bonfante, 1999:22). These immigrants are mostly guest workers who have been living in Germany for over three decades. (Bonfante, 1999:23). This act is strongly supported by the DGB and DAG unions, who call for dual citizenship, civic equality and a tolerant society in which immigrants have equal opportunity in the world of work. (DAG, 1998a:8; DGB, 2000k:n.p).

The opposition party (Christian Democratic Party of CDU) claims that it grants new citizens a dual passport privilege that Germans do not have, and will impede as opposed to facilitate cultural integration. (Bonfante, 1999:22). The CDU's petition drive against dual nationality is supported by Neo-Nazi fringe groups, bringing to the fore a xenophobic undertone and mobilising racist sentiments that were deeply hidden. (Sancton, 1999:23). The current high levels of unemployment and the fascist opposition that the new bill has attracted have the potential to evoke within Germany an increase in racism which mistakenly offers simple solutions to complex problems. (Wyplosz, 1998/1999:128).

### **7.2.1 Poverty**

Within Germany, poverty is measured in terms of the percentage of the population that receives continuous subsistence payments from the social security or welfare system. (Statistische Bundesamt Deutschland (SBD), 1999a:n.p). The social security system in Germany can be described as follows: social expenditure comprises cash payments which are granted to individuals by the government, public bodies or enterprises to cover specific risks and social needs. (SBD, 2000a:n.p). These benefits are aimed at providing social security against the risks of life, ensuring an equalisation of burdens for families and fulfilling other functions such as providing youth welfare services and support for handicapped persons. (SBD, 2000a:n.p). It is important that social security guarantees that the recipient not only has what he or she needs for bare survival, but is also able to participate in social life - to buy a radio or television, pay for a phone, etc. (Usher, 1998/1999:84). The funds required are mainly based on the contributions paid by the employed, the employers and government transfers. (SBD, 2000a:n.p).

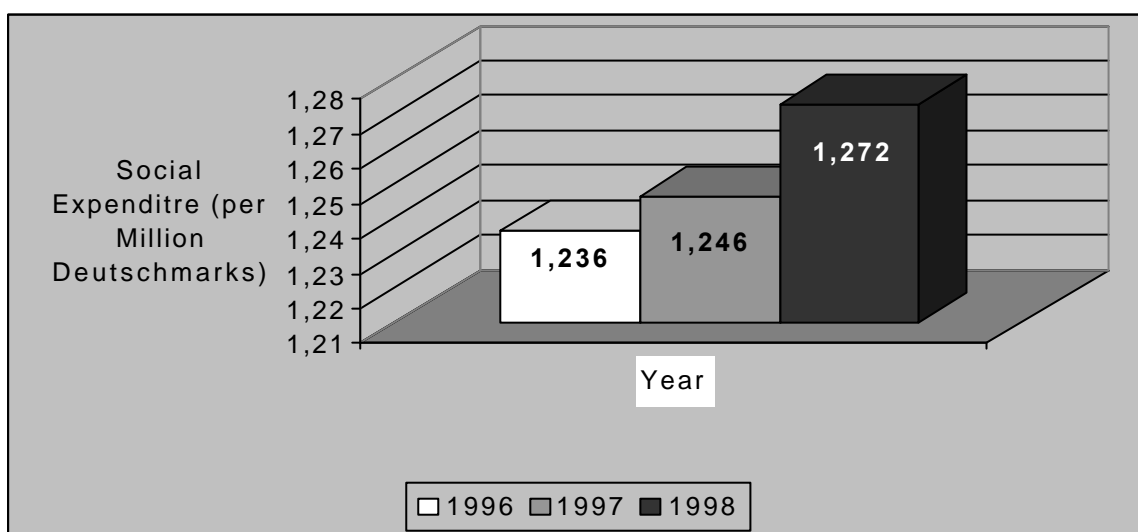
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<sup>48</sup> enshrined in the Maastricht Treaty and placed in effect as of 1 January 1999.



Total social expenditure increased by roughly DM 35 thousand between 1996 and 1998 (See Table 7.6). (SBD, 2000a:n.p; Usher, 1998/1999:84). However, according to a press release by the Federal Statistics Office, the number of persons receiving continuous subsistence payments at the end of 1998 decreased by 0,4% in comparison with the preceding year. (SBD, 1999a:n.p). Despite the decrease in people receiving social security, the DGB argues that more and more people in Germany are beginning to feel the pinch of mass unemployment, new poverty and the cut-backs in social benefits. (DGB, 2000d:n.p). In this way, unemployment and poverty constitute a growing threat to the social bedrock of the German society as they increase the prospects for inter-group conflicts emerging between the have's and have-not's. (Hyman in Regini, 1994:152).

**Table 7.6: Total Social Expenditure, 1996 – 1998.**



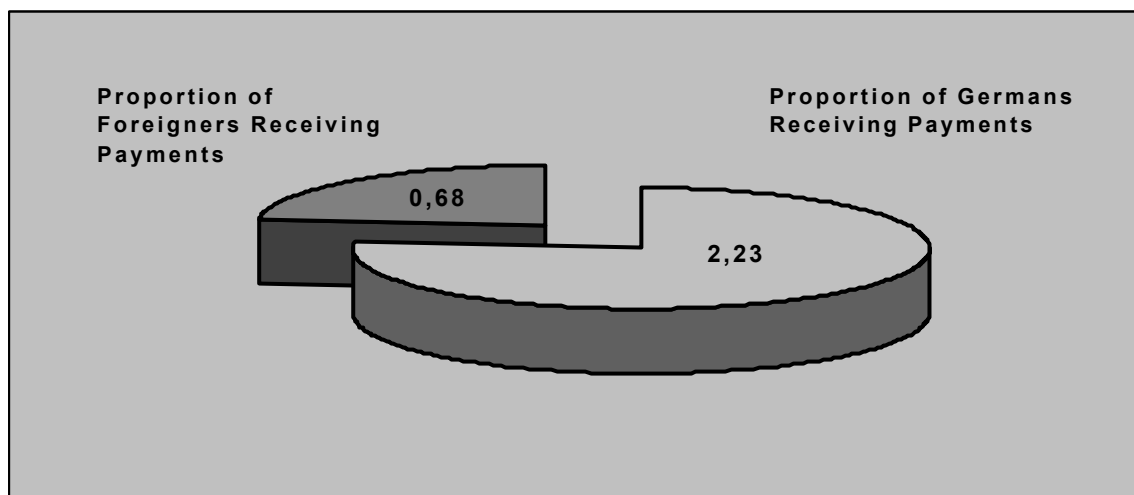
Source: Statistisches Bundesamt Deutschland, 2000a:n.p

The same press release indicates that 2,91 million persons out of Germany's 82, 0 million strong population, received continuous subsistence payments at the end of 1998<sup>49</sup>. (SBD, 1999a:n.p). This translates to roughly 3.5% of the total population depending on social welfare. (SBD, 1999b:n.p). The number of German recipients was 2,23 million (2,7% of the total population). (SBD, 1999a:n.p; SBD,

<sup>49</sup> Despite their dependence on the social security system, the Health Ministry in Berlin states that of those 2,91 million that drew social security by the end of 1998, none can be considered poor. (Usher, 1998/1999:84). This is because social life in Germany is defined in a way that guarantees that the system provides more than just food, shelter and clothing for the country's poor: social life is also defined by money, and a lack of money implies social exclusion. (Usher, 1998/1999:84). The German Welfare Association regards this fact as particularly important in relation to children. (Schneider in Usher, 1998/1999:84). If children are socially excluded by their peers, are unable to receive educational help at home and leave school without graduating, they end up as the new unemployed. (Schneider in Usher, 1998/1999:84). If this situation results, poverty and unemployment become hereditary. (Usher, 1998/1999:84).

1999b:n.p). A total of 0,68 million continuous subsistence payments were received by foreigners (0,9% of the total population) (See Table 7.7). (SBD, 1999a:n.p; SBD, 1999b:n.p).

**Table 7.7: Proportion of the Population Receiving Continuous Subsistence Payments in 1998 (in Millions).**



Source: Statistisches Bundesamt Deutschland, 1999a:n.p.

Significantly more German's than foreigners living in Germany are depending on state support for their survival. Although it is to be expected that more native Germans than foreigners would suffer poverty, owing to the fact that the native German population is far larger than the proportion of foreigners living in Germany, the DGB rightly points out that this scenario can create inter-group antagonisms between German and foreign recipients of social security.

Anti-foreigner groups feel that the system should protect their own native population, regardless of the fact that foreign workers must contribute to the social security system. (Vollmer, 2000:n.p). This situation has brought right wing extremism and ethnic conflict to the fore. (DGB, 2000d:n.p). Right wing extremism and ethnic conflict have been further exacerbated by the drafting of a bill by the SPD which, if passed, will grant 4 million foreigners citizenship and working opportunities in Germany – a situation which, as previously stated, has already attracted the opposition of Neo-Nazi fringe groups. (Sancton, 1999:23).

In addition, poverty creates inter-group conflicts and antagonisms between those who depend on social security to survive, and the employed who are obliged to contribute financially toward a generous welfare system that does little to encourage those who are able to, to find employment. (Dussman, 1998/1999:46).

To add to these problems, wealth and poverty are growing in the German society at the same pace. (DGB, 2000d:n.p; DGB, 2000a:n.p). A number of German citizens are struggling as the gap between the have's and have-not's widens. (Usher, 1998/1999:84). The DGB proposes that the social state is obliged to create equal conditions of life in all regions, and states that it is not prepared to accept this unequal distribution of income and wealth. (DGB, 2000b:n.p). Instead it aims to achieve a more equal distribution of wealth by way of fiscal and collective bargaining measures, and welfare and social policies. (DGB, 2000b:n.p). One such policy demands that an appropriate contribution be made from people with large incomes and owners of great wealth, and that average wage earners continue to pay a financial contribution toward social reforms. (DGB, 2000b:n.p). Should this be implemented, the DGB feels that a higher quality of life for all will be achieved. (DGB, 2000b:n.p).

In this light, it can be seen that the DGB does support socio-progressive policies designed to cushion the losers in society. (Hyman in Regini, 1994:152). However, unlike a typical 'two-thirds, one-third' society, the government (SPD) does not represent a selfish constituent that wants to resist such policies. Instead, the SPD stipulates that everyone in Germany is to be granted the same standard and quality of life. (SPD, 2000b:n.p). In this way, both the SPD and DGB are working together to try and avoid the increase of inter-group conflict between those that are financially secure, and those that are not, in the German society.

### **7.2.2 Unemployment**

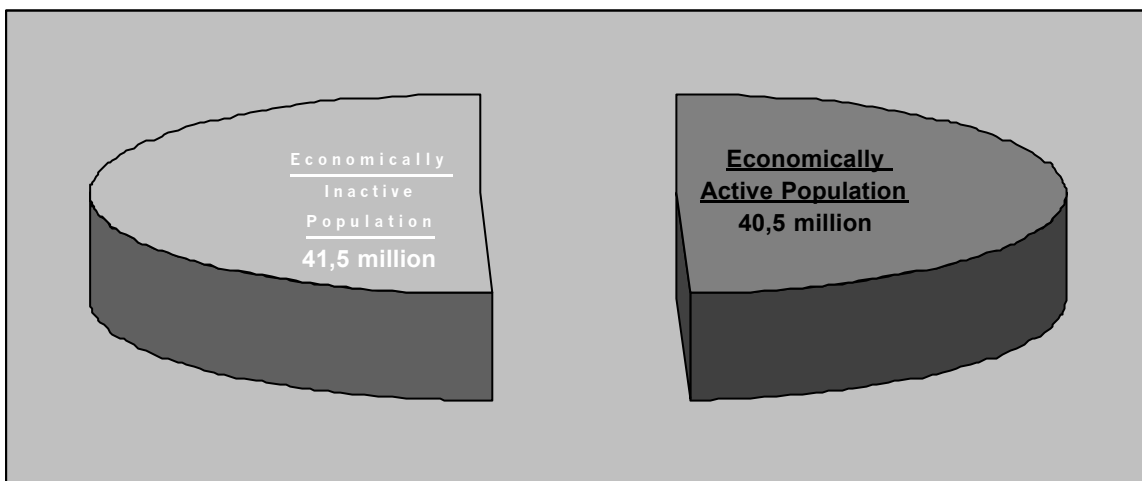
Within Germany, the roots of unemployment are well known: an overly generous social safety net, and an inflexible labour market that hinders the creation of new business. (Wyplosz, 1998/1999/128). However, debates concerning how to overcome these problems remain controversial owing to the potential social and political implications. (Wyplosz, 1998/1999:128).

The Federal Government of Germany defines persons engaged in economic activity as all those that perform work which is paid. (SBD, 2000c:n.p). Unemployed persons include those who are not employed and, according to their own statements, make an effort to find a job. (SBD, 2000c:n.p). Inactive persons neither perform nor search for gainful activity. (SBD, 2000c:n.p).

1999 figures released by the Federal Statistics Office indicate that 40,5 million of Germany's 82 million strong population are economically active (See Table 7.8). (SBD, 2000d:n.p; SBD, 1999b:n.p). The inactive population, (the majority of which is supported by family or relies on old-age pensions), is greater

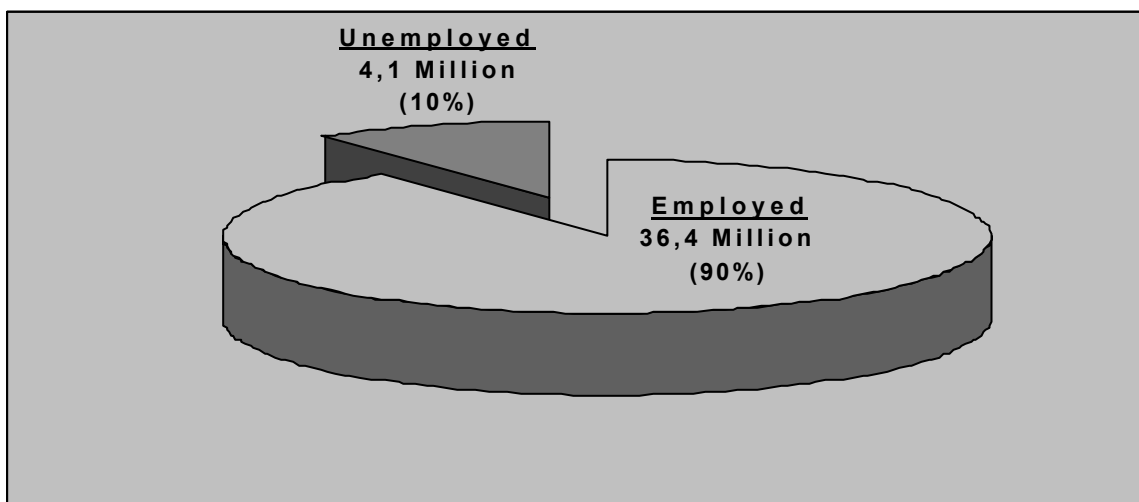
than that of the active population, and accounts for 41,5 million people. (SBD, 2000d:n.p). 36,4 million of the economically active population are employed, whilst 4,1 million are unemployed (See Table 7.9). (SBD, 2000d:n.p). This translates to an unemployment rate of roughly 10% amongst the economically active population. Of the 36,4 million employed, 43% are women, whilst 57% are men. (SBD, 2000d:n.p).

**Table 7.8: The Economically Active Population of Germany, 31 December 1999.**



Source: Statistisches Bundesamt Deutschland, 2000d:n.p.

**Table 7.9: Incidence of Unemployment within Germany's Economically Active Population, 31 December 1999.**



Source: Statistisches Bundesamt Deutschland, 2000d:n.p.

As mentioned, one of the roots of unemployment in Germany is the welfare system. As high wage country with a greying population<sup>50</sup>, the welfare system has become an expensive source of unemployment. (Dussman, 1998/1999:46; Wyplosz, 1998/1999:128). Conflict between the unemployed, employed and employers is emerging over the following issues: firstly, unemployment benefits discourage people from looking for a job; and secondly, high minimum wages make it difficult for the unskilled to find work. (Dussman, 1998/1999:46; Wyplosz, 1998/1999:128). Thirdly, forms of labour market regulation, which make the dismissal of workers both difficult and costly, visibly discourage hiring and encourage replacing manpower with technology. (Wyplosz, 1998/1999:128; Dussman, 1998/1999:46). These dense government regulations impede the creation of new business which could generate attractive jobs. (Mayer, 1998:36).

Although Germany had the fifth highest unemployment rate out of 14 EU countries in 1997, within the last three years, unemployment has decreased from 4,5 million in 1997 to 4,1 million at the end of 1999. (DAG, 1998a:32). In June 2000, unemployment sunk to its lowest level since 1995 - a total of 3,7 million were unemployed in June 2000, as opposed to 4,1 million at the end of 1999. (Der Tagesspiegel, 2000:1). However, the youth continue to face enormous obstacles as they enter the job market, leaving many of them pessimistic about the future, and leading some to lives of crime and violence. (Wyplosz, 1998/1999:128).

The DGB acknowledges that mass unemployment and the increasing social divisions that result, are linked to the decline in membership it has experienced over the last four years. (DGB, 2000d:n.p; DGB, 2000c:n.p). In addition, in many branches and areas of organisation, the membership structure is the same as it was in the 1960s. (DGB, 2000f:n.p). To rectify its outdated structure, the DGB intends to alter the organisational culture and structure of its trade unions by way of encouraging a greater individuality and diversity of interests amongst its membership. (DGB, 2000f:n.p). As with the DAG, this is to be achieved mainly by programmes of job creation, and increasing access to women. (DAG, 1998b:32; DGB, 2000f:n.p).

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<sup>50</sup> Germany is facing a declining population rate owing to the trend toward single-person households. (Bundesinstitut für Bevölkerungsforschung, 2000a:n.p; 2000e:n.p; SBD, 1999:n.p). Increased life expectancy places further strain on the social security system, particularly by the older proportion of the population in need of permanent care. (Vollmer, 2000:n.p; DAG, 1997b:n.p). Although the scheme is currently assisting those over the age of sixty, it offers little promise of support for the next generation of 60 year olds, as the declining birth rate in Germany implies that those that contribute to the scheme in the future will be in the minority, whilst those depending on it, will be the majority. (Bundesinstitut für Bevölkerungsforschung, 2000b:n.p; 2000c:n.p; 2000d:n.p; Bundesministerium für Gesundheit, 1999:n.p).

In view of the fact that mass unemployment is occurring alongside increasing productivity, the DGB is pursuing a policy of a shorter working week in such a way that the time spent by individuals in gainful employment is decreased. (DGB, 2000e:n.p). A shorter working week carries with it two advantages: firstly, it will create more jobs for the unemployed; secondly, it will enable employees to reconcile job and family more easily, (DGB, 2000e:n.p).

The DGB recognises that women are under-represented in positions of social power and responsibility. (DGB, 2000e:n.p). Poor prospects of promotion are highlighted by the fact that as of 1999, women held just 9,2% of management jobs in Germany. (Wallace, 2000:86). In contrast, the International Labour Organisation (ILO) notes that in the United States, the corresponding number was 43%, in the UK 33% and in neighbouring Switzerland, 28%. (Wallace, 2000:86).

Women are discriminated against in terms of their salaries. In a survey conducted by the University for Economy and Politics in Hamburg, it was found that among male executives in the third tier of management from the top, 25% received incomes in excess of \$100 000 a year, while none received salaries below \$40 000. (Wallace, 2000:86). When women in the same category were surveyed, 30% had salaries below \$40 000, and none had salaries above \$100 000. (Wallace, 2000:86).

When considering that women comprise 43% of the economically active population of Germany, their successful recruitment by confederations such as the DGB and DAG would be an effective way to increase levels of membership. As of the beginning of 1999, women comprised less than half (roughly 30%) of the DGB's membership. (DGB, 2000j:n.p). Effectively addressing Germany's glass ceiling may top up this quota. (DAG, 1997c:8). The DAG has taken steps to achieve this by setting up well attended information stands for women so as to encourage women to join unions, and also to learn about the trade union interests of women in order that they may be effectively represented. (DAG, 1997c:8).

### **7.3 CONCLUSION AND COMPARISON**

The findings for Section 2 can be represented as follows:

**Table 7.10: The Effect of Variations in Socio-economic Factors on Union Strength in South Africa and Germany**

<b>POSSIBLE INDEPENDENT VARIABLE</b>	<b>POSSIBLE DEPENDENT VARIABLE</b>	
<b>Variations in Socio-economic Factors</b>	<b>Variations in South African Union Strength</b>	<b>Variations in German Union Strength</b>
Recession	Aggregation	Disaggregation
Poverty	Aggregation	Disaggregation
Unemployment	Aggregation	Disaggregation

Table 7.10 illustrates that whilst variations in socio-economic factors aggregate the South African union movement, the same factors appear to disaggregate German unions owing to the conflict that has arisen around the issues of poverty and unemployment.

With regard to Germany, Hyman argues that recession in the form of a serious economic downturn impacts upon the structures of the labour market in such a way that rising unemployment coupled with union decline are the result. (Hyman , 1994:152). In agreement with this argument, union membership has declined in Germany, and runs the danger of continuing to do so owing to the following economic difficulties that Germany is experiencing:

- The negative effect of German unification on unemployment. (DGB, 2000a:n.p)
- The question of dual citizenship for roughly 4 million foreigners living in Germany has brought about a resurgence of xenophobia and racism within society. (Bonfante, 1999:22).
- Dissatisfaction owing to rising exchange rates, high tax burdens and the welfare system. (Dussman, 1998/1999:128).
- An economic growth rate of 3% is required to create jobs for the 4,1 million unemployed, yet the economic growth rate is expected to drop below 2%. (Sancton, 1999:23).

Each of these factors impact upon the labour market and are the cause of antagonism between employed and unemployed, and German and foreign workers.

With regard to poverty, 39% of all South African's live in poverty and food insecurity. (Heintz & Jardine, 1998:10; Business Day, 1996:66). In Germany, 3,5% of the population receive continuous subsistence payments. (SBD; 1999b:n.p). In South Africa, the unions and government have designed various housing and food shortage programmes to improve the position of the poverty stricken so as to avoid the

possibility of a social movement arising out of the poor's discontent. (Business Day, 2000e:n.p; Ray, 1998b:12,13). In Germany, both the government and DGB unions support the social state and the social security system that provides for the poverty stricken. (DGB, 2000a:n.p). This creates dissatisfaction amongst those employed who must contribute financially to a system they feel fosters dependence by those who abuse its generosity. (Usher, 1998:1999:84).

High unemployment in Germany has led to conflict concerning the generous social security system which discourages those that are able work, to look for work. (Dussman, 1998/1999:46). In addition, unemployment is perpetuated firstly by high wages which make it difficult for the unskilled to find work; and secondly, by tight labour market regulation which encourages the replacement of manpower with machinery. (Dussman, 1998/1999:46). Although German unions recognise that unemployment weakens unions, and have experienced a membership decline, (the DGB's membership has dropped by 1,4 million since 1994), South African unions have not experienced membership decline in the face of high unemployment. (Shroeder, 1998:80; DGB, 2000j:n.p).

In conclusion, Hyman argues that economic stagnation and recession coupled with high unemployment can result in the disaggregation of the working class. (Hyman in Regini, 151). This argument does not fit with the South African scenario in which a recession, poverty and unemployment have not brought about a decline in membership. As illustrated in Table 7.10, recession, unemployment, dissatisfaction with the social security system, and antagonisms between employed and unemployed, and German and foreign workers all contribute to Germany's current economic uncertainty, and are the basis for broadening divisions between core, peripheral and unemployed workers. (Hyman, 1994:152). In support of this sentiment, the DGB has recognised that the resulting dissolution of social cohesion within its membership is responsible for membership decline. (DGB, 2000d:n.p; Hyman in Regini, 1994:151). Thus, Hyman's argument of disaggregation proves correct in the case of Germany.

This section concludes that the same socio-economic effects of recession comprise a variable that aggregates South African unions, whilst instigating a decline of German unions. It can therefore be argued that differing union responses to the socio-economic elements of recessive climates in the 1990s can account for the simultaneous growth of the South African labour movement and decline of the German labour movement. This illustrates that the growth and decline of labour movements is not only linked to transitions in the long waves of the economy (as Kelly argues). Union growth and decline is also determined by the reaction of unions to recessive socio-economic factors.



SECTION 3: CHAPTER 8

**THE IMPACT OF VARIATIONS IN THE MODE OF PRODUCTION AND SECTORAL SHIFTS IN THE EMPLOYMENT MARKET ON SOUTH AFRICAN UNIONISM**

**8.1 INTRODUCTION**

This section uses Hyman’s Theory of Disaggregation (described in Chapter 3, Section 3.3) to determine the impact of variations in the mode of production and shifts in the employment structure on the South African and German union movements. As Table 8.1 illustrates, this chapter examines whether the rise of the service sector, the emergence of atypical employment, the demand for a more highly skilled labour force and the introduction of new technology are resulting in an aggregation or disaggregation of South African unions.

**Table 8.1: A Study of Variations in the Mode of Production and Sectoral Shifts in the Employment Market on Union Strength in South Africa**

POSSIBLE INDEPENDENT VARIABLE		POSSIBLE DEPENDENT VARIABLE
Sectoral Shifts in the Employment Market	Variations in the Mode of Production	Variations in Union Strength
<ul style="list-style-type: none"> <li>- The Rise of the Service Sector</li> <li>- The Emergence of Atypical Employment</li> </ul>	<ul style="list-style-type: none"> <li>- Racial Fordism</li> <li>- Flexibility (The call for higher skills and the introduction of new technology)</li> </ul>	<ul style="list-style-type: none"> <li>- Aggregation</li> <li>- Disaggregation</li> </ul>

Until South Africa’s first democratic elections in 1994, South Africa was isolated from the global economy. (Hayter, 1999:58). Apartheid economic policies were capital intensive and biased toward investment in machinery as opposed to developing human labour capital. (Hayter, 1999:59). Gelb identified *racial Fordism*<sup>51</sup> as the nationally-specific mode of development in South Africa prior to 1994. (Gelb in Gilton, n.d:n.p).

<sup>51</sup> The model of development that emerged in South Africa was a caricature of Fordism in the developed countries, principally due to the relationship between race (apartheid) and class (capitalism). (Gilton, n.d:n.p). Institutionalised racial oppression has, therefore, proved to be a major qualification on the type of Fordism that was possible in South Africa. (Gilton, n.d:n.p).

Gilton argues that the defining characteristic of this mode of regulation is the post-war combination of apartheid and import-substitution industrialisation in South Africa. (Gilton, n.d:n.p). From 1948-1974, accumulation in South Africa involved linking improvements in mass production to the expansion of mass consumption. (Gilton, n.d:n.p). Yet, unlike Fordism elsewhere, “both production and consumption were racially structured” (Gelb, 1991:13 in Gilton, n.d:n.p).

Racial Fordism tempered the development of mass production methods, which in turn prevented the introduction of advanced technology required to engage in the global economy. (Ray, 1998a:62). The economic process of reform by the new government in 1994, saw the introduction of policy measures designed to create an outward-oriented economy that could compete on a global level. (Hayter, 1999:59). This has brought about increasingly flexible productive systems as reflected by the fact that potential and actual variations in technology, work organisation and payment systems are increasing. (Standing, 1996:49).

In short, globalisation<sup>52</sup> involves a complete restructuring of the state that marks a shift from welfare states in developed countries and development states in developing countries to ‘competitive states’ whose main responsibility is to ensure that the economy remains internationally competitive. (Samson, 1997:12). Such trends lead authors such as Kassalow to argue that, “...every industrialised nation is undergoing a scientific technological, economic revolution every bit as significant as the industrial revolution of the nineteenth century”. (Kassalow in Bamber & Lansbury, 1989:41).

Having been isolated and protected for so many years, South African organisations found themselves out of step with the new global practices when South Africa re-entered the international arena and experienced a globalisation of her economy after the 1994 elections<sup>53</sup>. (Ray, 1997:24; Hayter, 1999:58). In this way, processes of adjustment outside of the South African economy came to impinge directly on those within. (Parsons & Smelser, 1964:277).

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<sup>52</sup> Defined in Chapter 3, Section 3.3.2.2.

<sup>53</sup> South Africa’s relatively smooth political transformation and the fact that South African assets are undervalued, has made South Africa a market that global firms are reluctant to ignore. (Business Day, 1999d:17). South Africa’s Finance Minister, Trevor Manuel, argues that South Africa ought to seize the opportunity to play a global economic role and promote the interests of poor countries in international affairs. (Business Day, 1999e:3). A similar sentiment is expressed by President Mbeki, who claims that South Africa has little choice but to embrace globalisation in pursuit of an ethical economy capable of creating equity, security and sustainable development. (Business Report, 1999f:1).

However, according to the World Economic Forum's 1999 Global Competitiveness Report, South Africa was ranked a mere 47 out of 59 countries owing to a high crime rate, unemployment and poor potential to sustain economic growth. (Business Report, 1999g:1). To compete on a global level, the reorganisation of the South African workplace and society is clearly required<sup>54</sup>. (Ray, 1997:24, 26).

Given the challenges of South Africa's high levels of unemployment, poverty, inequality and the uncertainties that accompany a period of fundamental economic restructuring, major changes have been taking place in South Africa's workplaces owing to the current global trends. (Department of Labour, 1996:n.p; Ray, 1997:24, 26). As a consequence, unskilled workers, comprising not only the majority of the workforce, but also the majority of union members, face an uncertain future with new divisions in the labour market, deskilling, falling wages and retrenchments becoming regular features of the new system. (Ray, 1997:24, 26).

## **8.2 THE IMPACT OF THE CHANGING EMPLOYMENT STRUCTURE ON SOUTH AFRICAN UNIONISM**

### **8.2.1 The Service Sector**

In keeping with world trends, women make up an increasing proportion of the South African labour force. (Nyman, 1996:30). This is as a result of the growth in the traditionally female-dominated service sector, and a corresponding decline in the male-dominated manufacturing sector. (Nyman, 1996:30). Within South Africa, the service sector has continued to expand steadily since 1980. (Crankshaw, 1997:29). As illustrated in Table 8.2, the Finance, Insurance, Real Estate and Business Services employed approximately 300 000 employees in 1980. (Crankshaw, 1997:29). Today, this figure has doubled and stands at nearly 700 000. (Department of Labour, 2000b:n.p).

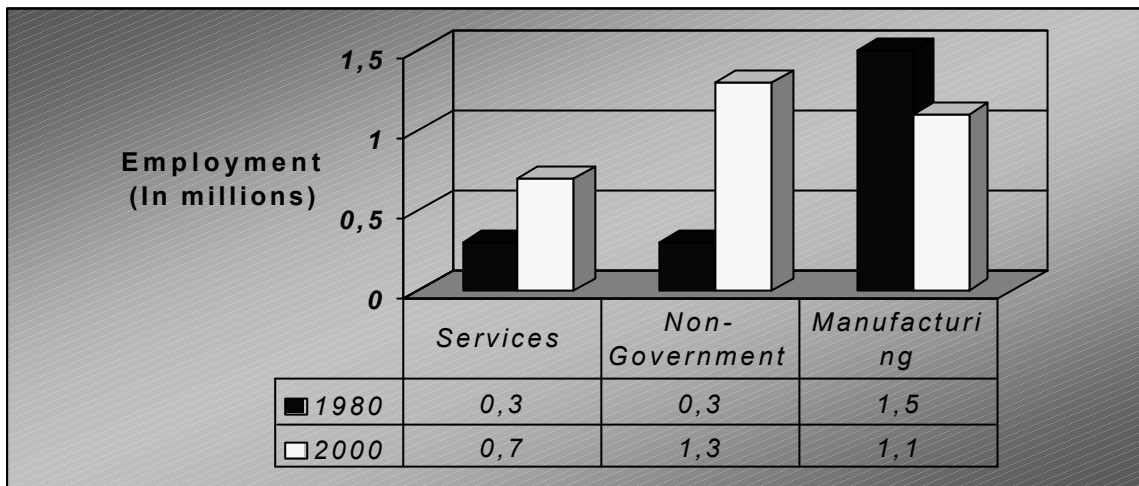
Non-Governmental Services, (i.e. community, social and personal services), also accounted for the employment of roughly 300 000 employees in 1980. (Crankshaw, 1997:31). Today, Non-Governmental Services is the largest sector in South Africa and accounts for the employment of 1,3 million people.

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<sup>54</sup> In acknowledging the need to compete on a global level, the Government of National Unity (GNU) announced an 'Accord for Employment and Growth' in June 1996. (Department of Labour, 1996:n.p). The Accord calls for more co-operative relations at firm, industrial, regional and national level so as to encourage investment and productivity growth. (Department of Labour, 1996:n.p). Such relations ought to allow for the balancing of business's need for competitiveness and adequate profitability, labour's need for secure and reasonably remunerated employment, and the society's need for rapid employment creation. (Department of Labour, 1996:n.p).

(Department of Labour, 2000b:n.p). At the same time, the manufacturing sector, which comprised the largest sector in South Africa in 1980 with over 1,5 million workers, has now dropped to the position of second largest sector in South Africa after Non-Governmental Services, and employs a slightly reduced workforce of 1,1 million employees. (Crankshaw, 1997:31).

**Table 8.2: Growth and Decline of South Africa’s Employment Sectors, 1980 - 2000.**



Source: Crankshaw, 1997:31; Department of Labour, 2000b:n.p

Most Cosatu members are to be found in those occupations which are either declining as a total proportion of the workforce, or are expanding at a slower rate than others, and which have the highest union density. (Crankshaw, 1997:32). For example, 1996 figures indicate that the mining sector enjoyed the highest union density of 65,3%, followed by Transport (48.2%) and Manufacturing (47,8%). (Baskin, 1996:10). According to the October 2000 Survey of Total Employment and Earnings (STEE), there has been a steady decline in the formal, non-agricultural business sector since 1997, including the mining, transport and manufacturing sectors. (Daily Mail and Guardian, 2000b:n.p). The survey found that the transport, storage and communication sector reflected the largest decline due to restructuring, with a loss of 12 735 jobs. (Daily Mail and Guardian, 2000b:n.p).

Such shifts in the labour market lead Schnabel to argue that the higher the proportion of “difficult to organise” groups, such as women in the service sector, or white-collar groups, the lower is the rate of success unions experience when recruiting new members. (Schnabel, 1987:9). Consequently, the segmentation, differentiation and diversification of occupational status make defending the interests and rights of workers a harder goal to achieve for the unions. (Streeck in Bergmann, 1979:72).

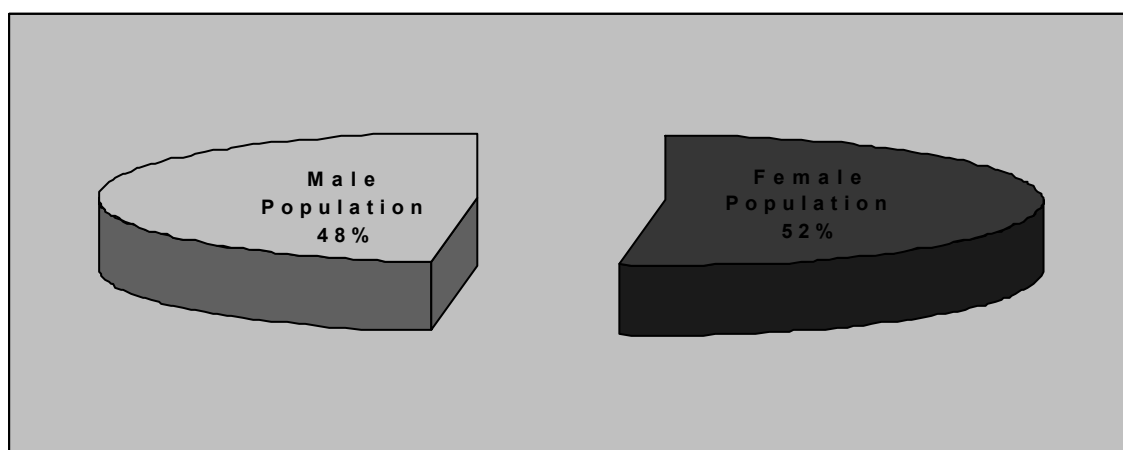
The growth of the service sector and the decline in the highly unionised manufacturing, mining and transport sectors are indicative of a changing labour market environment. (Jose, 1999:n.p). Jose argues that these changes require new approaches and strategies on the part of unions if they are to retain the role of social actors that contribute to dynamic and equitable growth. (Jose, 1999:n.p). This implies that unions need to start addressing the issue of recruitment and effective organisation in the service sector, if they wish to retain the position of true representatives of the South African labour force. (Hyman in Regini, 1994:151).

### 8.2.2 Emerging Atypical Forms of Employment

World-wide, women have been entering the labour market in increasing numbers since the end of the Second World War. (Greve in Bamber & Lansbury, 1989:199). On average, women comprise around 66% of the labour force of the industrialised market economy countries. (United Nations Statistics in Horn, 1997:90). Women generally tend to be concentrated in certain occupations of the service sector, where they comprise two-thirds of all employees. (Greve in Bamber & Lansbury, 1989:200).

In South Africa, 52% of the population are female (See Table 8.3). (Budlender, 1997:57; Department of Labour, 2000a:n.p). Women comprise over half the rural population and are amongst the poorest members of society. (Budlender, 1997:57). Many of the women in the informal and agricultural sectors are not only workers, but also wives and parents. (Budlender, 1997:61).

**Table 8.3: Female Population of South Africa, 2000.**

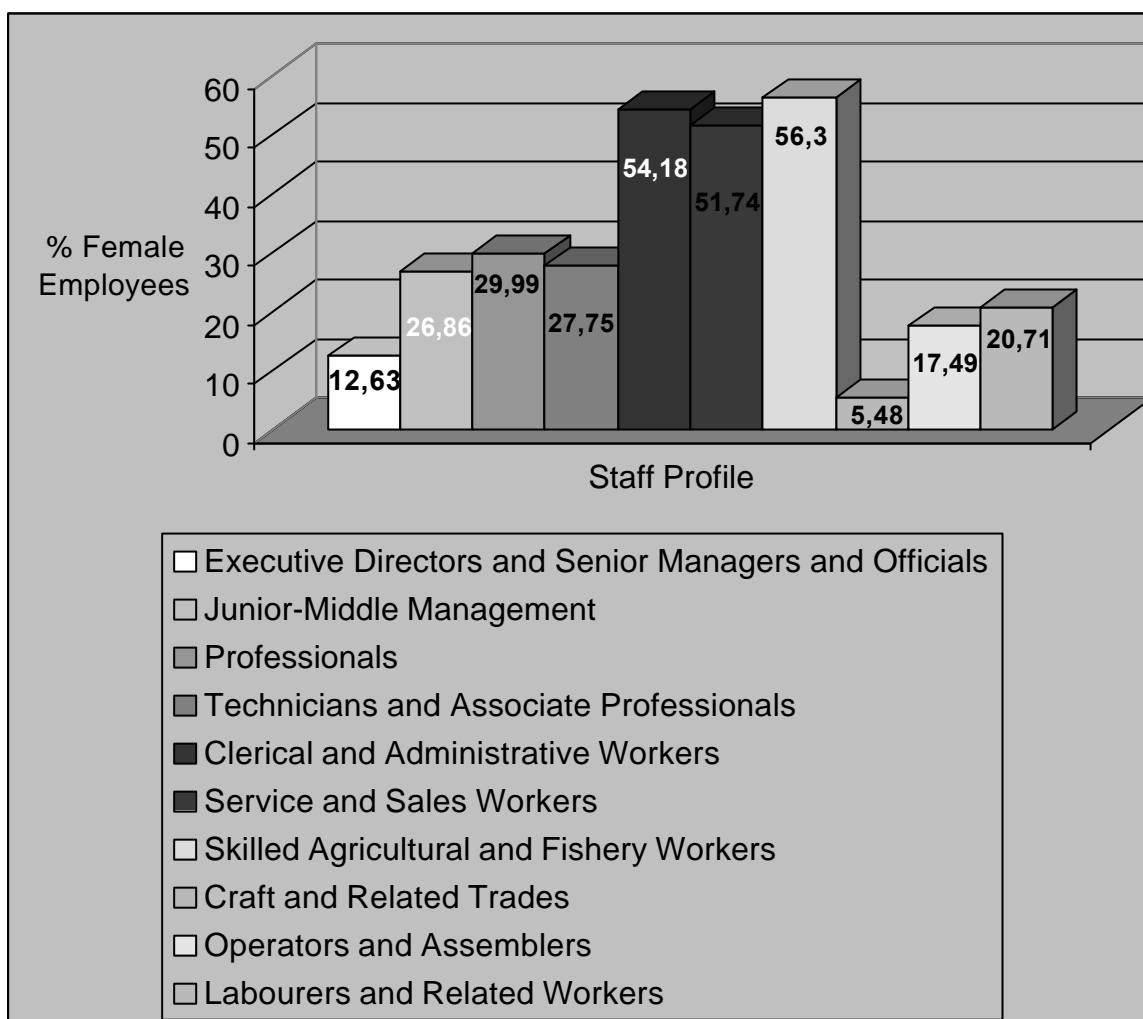


*Source: Department of Labour, 2000a:n.p*

The greater prevalence of part-time work and flexible work schedules within the service sector make this sector attractive for women with family responsibilities. (Greve in Bamber & Lansbury, 1989:205). However, while this fact contributes to the high incidence of women among part-time workers, it contains disadvantages for them in terms of remuneration, benefits, training and career development. (Samson, 1997:10). Most importantly part-time workers, and those to be found in other atypical forms of employment, are less likely to be unionised. (Greve in Bamber & Lansbury, 1989:205).

South Africa mirrors these international trends owing to the fact that the number of women employed in South Africa between 1970 and 1992 increased from 33% to 36%. (Tshoadi, 1998:54). Today, women constitute almost half (45,4%) of the economically active population (EAP) of South Africa. (Kisting, 1997:20; Department of Labour, 2000a:n.p). The highest percentages of female employees are to be found in those sectors of the economy that are low paid, poorly regulated and under organised – e.g. the Service and Sales Sector (51,74%), Clerical and Administrative Workers (54,18%) and Skilled Agricultural and Fishery Workers (56,30%) (See Table 8.4). (Department of Labour, 2000b:n.p). In each of these sectors, the incidence of male employment is less than that of female employment: the Sales and Service Sector comprises 48,26% men, Clerical and Administrative 10,25% men and Skilled Agricultural and Fishery Workers 43,70% male employees. (Department of Labour, 2000b:n.p; Budlender, 1997:64).

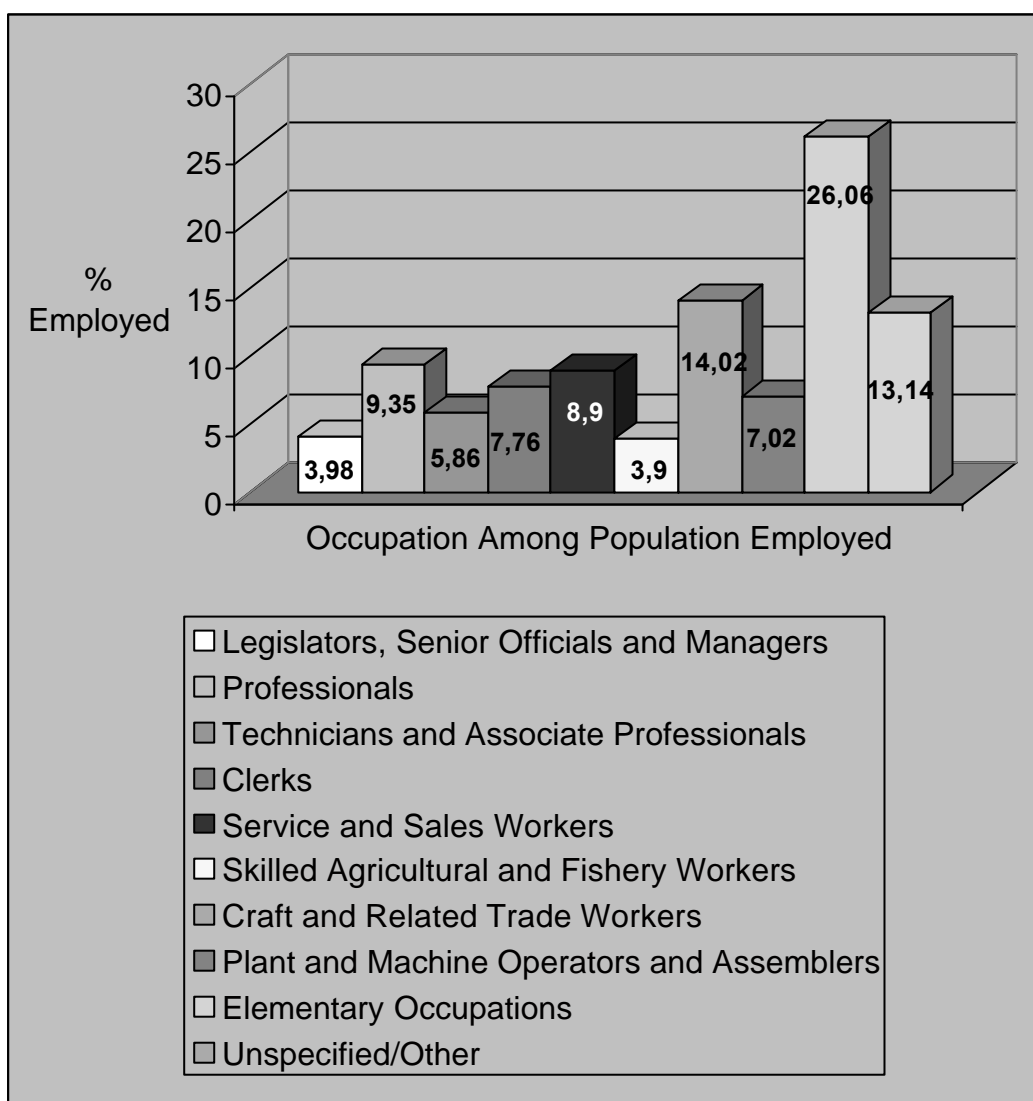
**Table 8.4: Staff Profile of Female Employees in South Africa, 2000.**



Source: Department of Labour, 2000b:n.p.

The increasing incidence of atypical forms of employment is resulting in what is known as a ‘dual’ labour market - a ‘primary’ labour market which consists of workers formally employed with permanent employment contracts, and a ‘secondary’ labour market which consists of casual, part-time, seasonal, home-based and piece workers. (Horn, 1997:90). Workers in this market find themselves in a weaker bargaining position owing to the fact that there exist very few unions which cover these forms of employment. (Horn, 1997:90). This is worrying when considering that 39,2% of the employed population in South Africa, over a third of the employed population, are to be found in the combination of ‘Elementary’ and ‘Unspecified’ occupations. (Department of Labour, 2000a:n.p). In turn, workers in elementary and unspecified occupations outnumber workers in each of the other occupational sectors. (See Table 8.5). (Department of Labour, 2000a:n.p).

**Table 8.5: Occupation Amongst Population Employed in South Africa, 2000.**



Source: Department of Labour, 2000a:n.p.

To a substantial degree, atypical employment tends to be female employment. (Hyman, 1999:n.p). Developments in the informal sector are hence connected with the increasing feminisation of the labour force. (Hyman, 1999:n.p). Yet, although women are predominantly to be found in the service sector or informal sector, 'women's work' is not easy to define owing to the overlap between paid and unpaid work, the formal and informal sector and production sectoral consideration. (Kisting, 1997:24).

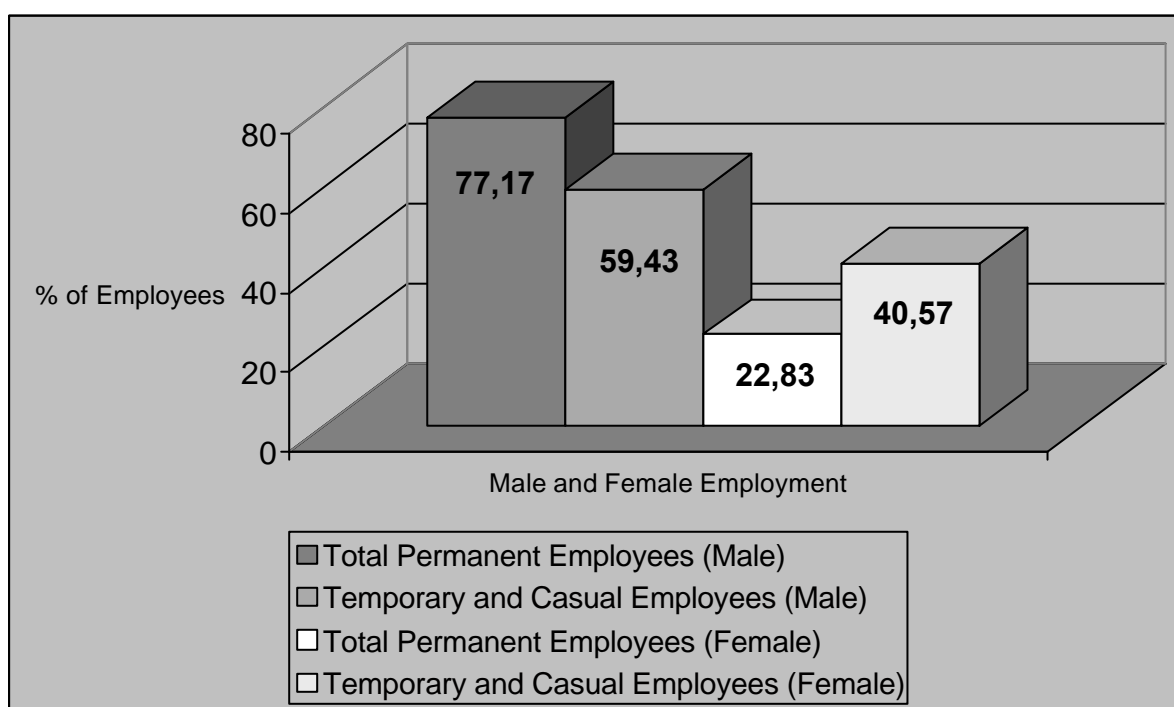
Within South Africa, temporary and casual work has increased, whilst many permanent workers have less security of employment. (Business Report, 2000b:9). This sentiment is reflected by a study conducted by the International Labour Organisation (ILO) in 1997, which found that 82% of firms surveyed use temporary labour, 45% use contract labour and 27% employ part-time workers. (Samson, 1997:11). 7%



of employers rely on home-workers. (Crankshaw, 1997:31). Moreover, those companies traditionally less inclined to flexibility, are increasingly employing the use of temporary and contract workers, and are sub-contracting to smaller firms. (Ray, 1997:30).

Statistics relating to permanent employment indicate that 77,17% of male employees are permanently employed, whilst only 22,83% of women hold permanent employment contracts (See Table 8.6). (Department of Labour, 2000b:n.p). 59,43% of men are employed on a temporary or casual basis, whilst almost double the amount of women in permanent employment (40,57%) are to be found in temporary and casual employment (See Table 8.6). (Department of Labour, 2000b:n.p). These figures and results indicate that flexible forms of employment are also widespread and extensively practised in South Africa. (Hyman in Regini, 1994:153).

**Table 8.6: Incidence of Permanent and Flexible Employment in South Africa, 2000.**



Source: Department of Labour, 2000b:n.p.

Most forms of part-time work, contract work and home based work have developed in South Africa over the past 10 years. (September, 1995:n.p). Many of these types of work are not recognised as work, and the workers who do them are not recognised as workers. (Horn, 1997:80). Women who work in the informal sector are almost all engaged in survivalist activities such as selling food, sewing and child minding. (Samson, 1997:10). The growth in these atypical forms of employment is mainly a result of

employers seeking flexible work practices, the high level of unemployment which lead many to adopt a “something is better than nothing” approach, and the ability such work grants women in balancing income and family responsibilities. (September, 1995:n.p). Women are also turning to self-employment because of retrenchments. (Masangwane, 1998:59). As a result of Apartheid education, women have low levels of education and lack the skills required to obtain jobs in factories. (Masangwane, 1998:59).

The Department of Labour recognises that of those employed in the secondary labour market, many experience poor working conditions and remain in dire poverty due to extremely low wages. (Department of Labour<sup>1</sup>, n.d:n.p). Although the 1995 Labour Relations Act (LRA) includes regulations designed to secure minimum wages and employment standards for all workers in the employment market, the problem appears to be one of implementing these regulations owing to, “...employers whose insatiable desire for high profit margins drive them into undermining and flouting the rules aimed at promotion of decent labour standards and a healthy and safe environment for workers”. (SAPA, 2000d:n.p; Department of Labour<sup>1</sup>, n.d:n.p).

In the following sections, specific forms of atypical employment, namely, home-workers, domestic workers and farm workers, will be expanded upon in relation to their coverage by unions and their potential effect on the union movement.

#### 8.2.2.1 Home-Workers

Despite the finding that only 7% of employers rely on home-workers for business, home-workers are increasing at a faster rate than part-time workers or contract workers in South Africa, owing to industrial restructuring and downsizing. (September, 1995:n.p; Samson, 1997:11). Home-workers are found in the following industries: the Mining Industry (jewellery making); the Metal Industry (mechanical and artisan work in garages); the Clothing and Textile Industry (finishing of garments); and Crafts (painting and beadwork). (September, 1995:n.p).

Within these sectors, self-employed women face problems such as a lack of information about their rights or how to improve their skills, lack of access to credit and high prices from suppliers. (Masangwane, 1998:60). To protect their under-representation, the Self Employed Women’s Association (SEWA) was established in 1994. (Masangwane, 1998:59, Horn, 1998:72; Baskin, 1998:13). SEWA plays an active role in assisting with access to training offered by the Department of Labour. (Masangwane, 1998:60).

The de-prioritisation of sex work by the Gauteng Department of Safety and Security, (backed by the ANC), has resulted in an emerging interest in the question of extending rights and work benefits to sex workers. (Gear, 1998:53). Within South Africa sex work has always been considered illegal. (Gear, 1998:53). The fact that many sex workers work from upmarket houses or from home means that they too can be regarded as 'home-workers'. (Gear, 1998:53). As with many home-workers in the other industries mentioned, increasing unemployment and the desire to improve their earnings acts as a motivator to join this industry. (Gear, 1998:55). Since the ANC's call to do away with legislation that makes commercial sex illegal, business has improved within this sector. (Gear, 1998:53).

This makes the issue of extending worker rights to sex workers more pressing. In common with other 'home-worker' industries, working conditions prove difficult to monitor, salaries vary and there is a lack of job security in sex work. (Gear, 1998:57). Many sex workers have no access to medical aid schemes and pension funds, and are unable to open a bank account. (Gear, 1998:57). Abusive work situations are not uncommon, yet the illegal status of prostitution has meant that workers have no recourse in cases of harassment or rape. (Gear, 1998:54).

#### 8.2.2.2 Domestic Workers

În South Africa the domestic sector reflects high levels of female employees amongst whom unionisation rates are the lowest. (Masangwane, 1998:59; Horn, 1998:72; Baskin, 1998:13). It is estimated that a third of all women in South Africa are employed as domestic workers in this sector, a number which exceeds that of workers in both agriculture and mining. (Rees, 1998:53). A large and growing number of domestic workers are employed on a casual or part-time basis. (Rees, 1998:53).

Domestic workers work under conditions that include class exploitation, racism, the oppression of women and an isolated and increasingly casualised workforce. (Bethlehem, 1996:61). In return, domestic workers receive low wages, but have to work overtime without being paid accordingly. (Bethlehem, 1996:61). Low wages are maintained by the fact that domestic work is socially defined as unskilled women's work and these workers have little social standing. (Rees, 1998:53). Domestic workers are not covered by the Compensation for Occupational Injuries and Diseases Act (COIDA), or the Unemployment Insurance Fund (UIF). (Rees, 1998:53). Although provisions of the Basic Conditions of Employment Act (BCEA) do apply to domestic workers, they are ignored by many employers. (Rees, 1998:53).

The position of domestic workers is complicated by the fact that the Cosatu affiliated South African Domestic Workers Union (SADWU) resolved to dissolve itself at the end of 1996. (Rees, 1998:52). Although SEWA offered to protect and organise domestic workers, these employees retain a strong loyalty to Cosatu. (Rees, 1998:52). In view of this fact, Cosatu stated that SADWU would be integrated into one of the federation's affiliates. (Rees, 1998:52).

However, there exists the sentiment within Cosatu that the domestic worker's unions are not a viable option for the federation. (Rees, 1998:52). This notion arises from SADWU's dependence on outside resources, the geographical spread of workers and the decline in membership experienced by SADWU. (Rees, 1998:52). Cosatu has therefore played a role in establishing advice offices for domestic workers which provide such workers with legal assistance and education around their rights. (Rees, 1998:53). However, advice offices can not go beyond these roles and challenge race, class and gender oppression or represent workers in unfair labour practice. (Rees, 1998:53).

Although domestic workers are not opposed to advice offices, they reject these offices as a substitute for a union that has the potential to change the law and fight for justice. (Rees, 1998:55, 56). There thus remains the need for the effective organisation of domestic workers, despite their lowly position in the employment market, and the adversity they face in becoming organised. (Rees, 1998:53).

### 8.2.2.3 Farm Workers

Above and beyond living in abject poverty, women who live and work on farms continue to face both discrimination and exploitation. (Naidoo, 1997:57). It is common for farmers to employ men on the understanding that their wives and children work for the farmer when required. (Naidoo, 1997:58). Employment is mostly on a casual basis, with women being paid lower rates than men for the same labour intensive work. (Naidoo, 1997:58).

1,3 million people are employed in South Africa's farms, fisheries and forests, yet 73% of these workers received less than R590 per month, or R223 per month if female. (Bethlehem, 1996:61). 20 000 farm workers received no pay at all. (Bethlehem, 1996:61). Women are often required to work overtime without being paid accordingly and are denied sick and maternity leave. (Naidoo, 1997:59). Unfair dismissals are common yet the fact that they work on farms, and are also responsible for the needs of the household, leaves little opportunity for these women to organise themselves or to attend meetings and workshops. (Naidoo, 1997:59, 60).

Although protective clothing and other measures required to protect employees from the adverse effects of their work (such as spray-cropping planes) are rare, women are responsible for their own health. (Naidoo, 1997:60). As a result, women's occupational and health safety problems are both under-reported and under-compensated. (Kisting, 1997:20). In 1995, various non-governmental organisations (NGO's) worked together to establish the National Women on Farms Programme (NWFP), which is intended to provide a platform for women to address their rights as agriculture workers. (Naidoo, 1997:60). National awareness of this endeavour is still required, as is the support of unions for the demands and concerns of female farm workers. (Naidoo, 1997:61). This is becoming more pressing in light of the continuing job losses in the farming sector. (Business Day, 2000r:1).

### **8.3 THE EFFECTS OF TECHNOLOGICAL CHANGE ON THE SOUTH AFRICAN LABOUR FORCE**

Within South Africa, the survival of many industries depends on their increasing competitiveness in the global market. (Ray, 1998a:61). This requires a change in the mode of production from racial fordism to more flexible forms of production. As a result, industrial restructuring is an issue that is becoming more prevalent on bargaining agendas within South Africa. (Philips, 1997:50). A key feature of this restructuring is the introduction of new technology. (Philips, 1997:50). Global pressures have resulted in South African companies restructuring and changing the way work is organised, owing to the arguments that companies must adapt to these changes, and that restructuring is an essential step to take in becoming competitive. (Jarvis, 1998:30).

In a survey conducted by the Trade Union and Research Project (TURP), organisers interviewed felt that managerial objectives behind restructuring are to increase profitability, reduce jobs and become more competitive. (Jarvis, 1998:31). As a counter argument to the fact that restructuring, by way of the introduction of new technology, can lead to job loss, Standing argues that, "labour saving technology will create a basis for expansion and employment generation after an initial period of labour shedding". (Standing in Ray, 1997:28). In line with this argument, South Africa's Trade and Industry Minister, Alec Erwin, argues that although job creation will take place, this will not occur as quickly as the job losses that will result from the decline in protected and inefficient enterprises and sectors. (Alec Erwin in Business Report, 2000b:9).

However, while some argue that technological change and the introduction of new technology can lead to increased employment opportunities and a more highly skilled labour force, there is also evidence that it contributes to job insecurity. (Philips, 1997:54). Although unions recognise the value of new technology,

and are aware that technological innovations can improve their working lives, new technology is also associated with deskilling, insecure employment and retrenchment. (Philips, 1997:52, 54). For many workers, restructuring by way of introducing new technology and technological change means retrenchment and a trend toward more flexible forms of labour. (Rosenthal, 1996:51).

Pressure to restructure is resulting in a relentless rationalisation process, in which labour faces the costs of flexibility, cost-cutting measures, job loss and reduced workplace democratisation. (Ray, 1998a:61). This is depicted by the fact that 89% of South African companies have predicted a fall in employee numbers in the year 2000, and attribute this to reorganisation or restructuring at the workplace. (Business Day,2000f:6). The challenge for unions and management lies in finding restructuring practices that will improve the performance of the company and, at the same time, allow for the achievement of union goals. (Jarvis, 1998:31).

### **8.3.1 Skill Development**

Apartheid's racial policies on education and training were not an economic success: investment levels remained low and the tendency was to import consumer goods and export capital. (Kraak, 1997:74). As the Apartheid system could not meet the demands of industry, the structure of the South African labour force began to change in the 1970s. (Ray, 1997:28).

What emerged was a need for flexible production as an alternative to the centralised and rigid regulation practised under Apartheid. (Ray, 1997:25). The concept of 'flexible production', entailing flexible employment, skilled workers and the introduction of new technology, is becoming increasingly popular. (Ray, 1997:24). It is argued that new job structures and skill requirements must be seen in close connection with the new technologies of organisation and control that are increasingly being employed. (Sauer, 1992:200). This implies that skilled labour is required in the indirect function areas that employ the use of new technology to prepare and control production processes. (Sauer in Tokunaga, Altmann & Demes, 1992:200).

The existing low skill levels of black workers do not fit with the needs of employers who are required to introduce productivity enhancing technology. (Ray, 1997:26). Labour's loss of strategic employment in the production process is offset by an increase in the importance of skilled labour, whose function areas are significant for the introduction of new technology. (Sauer, 1992:199). Demand is moving away from unskilled labour toward a more specialised core of workers. (Ray, 1997:27). Old occupational and skill

categories are no longer relevant as firms need to become more proactive in using skill creation as a vehicle for achieving a competitive advantage. (Kraak, 1997:78). To achieve this requires a paradigm shift in which the demand for skills within firms and industry changes. (Kraak, 1997:78).

To address the issue of skill development, the South African government put forward a Green Paper that encompassed a skills development strategy in 1997. (Vally, 1997a:38). The paper was unveiled in recognition by the Minister of Labour that, "a skills revolution in our country, and nothing less than a revolution will suffice when one considers the urgent need for employment productivity and growth". (Mboweni in Vally, 1997a:38).

The purpose behind the Green Paper, and the consequent Skills Development Bill, is to improve skills which will lead to an increase in productivity and a more competitive economy<sup>55</sup>. (Vally, 1997a:38). In support of this sentiment, Alec Erwin argues that one of the ways in which the South African economy can grow is by concentrating on training its people. (Sowetan, 2000i:18). Training, which enables people to adapt to structural changes in the workplace, has become a main feature of developing countries. (Sowetan, 2000i:18). The Green Paper attempts to undo the Apartheid legacy of separate development via integrated workplace education and training. (Ray, 1998d:39). Furthermore, it aims to eradicate the high levels of functional illiteracy amongst black workers, align education and training issues to social and economic needs, and address the pressing need for job creation. (Ray, 1998d:39).

Oponents of this strategy argue that the Bill aims at implementing standards and qualifications that are biased toward employer needs. (Ray, 1998d:40). Sengenberger maintains that the training function that leads to an increase in skills tends to remain limited in incidence and scope. (Sengenberger, 1990:n.p). This is owing to the fact that many firms fear the possible loss of return on their investment and therefore remain passive<sup>56</sup>. (Sengenberger, 1990:n.p).

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<sup>55</sup> Ray argues that this strategy borrows heavily from New Zealand's 'high wage, high skill' road to economic development, as it attempts to address the unemployment problem as well as the need for productivity, competitiveness and economic growth. (Ray, 1998d:39). The strategy assumes that job security and job creation will be improved by adjusting the poor skills profile of the South African labour market to the competitive demands of the global economy. (Ray, 1998d:39).

<sup>56</sup> In support of this argument, Sauer goes on to argue that in spite of the great difficulties presented in recruiting highly skilled personnel, the alternative approach of training the unskilled or semi-skilled worker is rarely taken. (Sauer in Tokunaga, Altmann & Demes, 1992:203). In addition, training tends to be unsystematic, oriented to short-term requirements and limited to short courses of introduction. (Sauer in Tokunaga, Altmann & Demes, 1992:203). Furthermore, it has been found that employers tend to arrange their training in such a way that it leads to narrow, job- or plant-specific skills, that are of little use outside the firm, thus hampering the mobility and substitutability of labour. (Sengenberger, 1990:n.p).

An area of concern is that investment in training may still result in a scenario in which the recipients of training fail to find employment. (Ray, 1998d:39). This will lead to a situation in which the majority of workers will be trained for unemployment, whilst employers gain from an abundant source of skilled, mobile labour. (Ray, 1998d:40). This sentiment is supported by Hyman who argues that a purely supply-side labour market policy aimed at increasing individual "employability" is likely to result in a more qualified cohort of unemployed - "A frustrating mismatch between enhanced skills and the limited skill content of available jobs (particularly in the expanding service sector)...". (Hyman, 1999:n.p). Any form of employment protection will prove ineffective, unless coupled with policies of training and income support that help the firm restructure its operations so that it can keep and redeploy its incumbent workforce. (Sengenberger in Tokunaga, Altmann & Demes, 1992:305).

There also exists the fear that worker commitment to unions will weaken due to a rise in individualism. (Jose, 1999:n.p). On the one hand it is argued that these highly skilled workers still make up a relatively small proportion of the workforce in quantitative terms. (Jose, 1999:n.p). On the other hand, Jose argues that those workers at the higher end of the skill spectrum seem indifferent to a collective identity, and are less dependent on unions, owing to the fact that their personal identity is defined less in terms of class and more in terms of social functions. (1999:n.p; Sauer in Tokunaga & Altmann, 1992:200).

Thus, what is required is increased access to education and training, in such a way that those who are most vulnerable in the labour market, are able to enter and successfully remain in employment. (Kraak, 1997:80). In addition, education and training should be conducted in such a way that it does not erode the collective identity of the recipients or remain biased to employer needs. (Jose, 1999:n.p). At the same time, should there fail to be a reciprocal relationship between a more highly skilled labour force and a broadening of jobs that require multi-skilled labour, investment in training will have little impact on productivity and economic performance. (Kraak, 1997:81).

These arguments have led to the criticism that the Green Paper's and Bill's provisions for unemployed workers are "paltry and unclear". (Vally, 1997b:84). It is felt that the Green Paper and Bill contain no references to challenging and eliminating the realities and consequences of Apartheid: discrimination against black people, women, disabled people and people without formal literacy and numeracy. (Vally, 1997b:85).

Such fears are well founded given the fact that a plentiful skills pool does not necessarily lead to higher rates in employment. (Vally, 1997b:41). Even so, in the 1997 survey conducted by TURP, workers



reported feeling under pressure to acquire new skills in an attempt to comply with the demands of management and the threats of international competition. (Jarvis, 1998:28). This attitude illustrates that, despite misgivings relating to increasing the skills of the workforce and the implications this may have for employment, the need for workers with a higher skills level is present owing to the fact that industries and companies can not ignore global realities. (Ray, 1998a:66).

### **8.3.2 The Introduction of New Technology**

Another way in which employers can respond to the constantly changing demands of the market is by restructuring their operations by way of introducing new technology. (Horwitz, 1997:n.p). Many companies have increased their investments in new technology. (Ray, 1997:26). It is believed that continued restructuring, by way of the introduction of new technology, is required to place the economy on a sound footing and thereby ensure sustainable employment. (Department of Labour 2, n.d:n.p).

Technology in South Africa lags behind that of industrialised countries. (Ray, 1998a:62). Racial fordism tempered the development of mass production methods, which in turn prevented the introduction of advanced technology<sup>57</sup>. (Ray, 1998a:62). Within today's global climate, many companies view technology as crucial to the survival of South African industry. (Philips, 1997:50). Cosatu has also expressed an acceptance of the fact that changes need to be made within companies in order to suit the requirements of the world economy. (Toerien, 1995:n.p).

Yet much needed technological innovations are not easily adaptable to the inherited skills structure of the workforce. (Ray, 1998a:63). Whilst companies feel that it will improve productivity and enhance company performance, workers see technological change as an unknown threat, and fear the effect it might have on their jobs. (Philips, 1997:50).

Although TURP did not establish a definite link between job loss and the introduction of new technology, employer submissions to the Labour Market Commission in 1997 confirm that productivity enhancing measures, such as the introduction of new technology, tend to be accompanied by downsizing and significant job loss. (Philips, 1997:51). The Commission's findings are confirmed by a more recent

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<sup>57</sup> Until recently, South African industries operated under tariff protection which resulted in inefficient operation of these industries. (Toerien, 1995:n.p). Such measures restricted South Africa in its efforts to compete in the export market since employers neither invested in new machinery at the appropriate time, nor did they provide for the training of workers to acquire new skills that would improve upon productivity levels. (Toerien, 1995:n.p; Ray, 1998a:62).

research paper, released by Standard Bank in September 2000, that confirms a loss of roughly 1 million jobs between 1993 and 1997 due to introducing technology. (Business Day, 2000:2). This job loss effected mostly unskilled workers. (Business Day, 2000:2).

These findings have put trade unions on the defensive, and have resulted in the sentiment that technology entails deskilling, insecure employment and retrenchment for workers<sup>58</sup>. (Philips, 1997:52). Workers argue that the application of technology in the production process segments the labour process into increasingly routinised operations. (Ray, 1998a:64). Furthermore, labour argues that new technology provides employers with the opportunity for productivity increases owing to tighter control over the labour process. (Rosenthal, 1996c:52). As a result, trade unions are demanding increased training opportunities and skills development so as to protect jobs and facilitate job security. (Philips, 1997:52).

This has led to a call for the creation of a high quality training system that supports a competitive training market and provides technically advanced capabilities. (Kraak, 1997:79). Such a system will require a substantial investment in technology, as to raise the skills levels of the workers without changing the design of work and the use of technology would be a fruitless endeavour. (Kraak, 1997:75). Cosatu has called for the government to make money available to train workers displaced by restructuring, so that they can find jobs in other sectors. (Toerien, 1995:n.p). This is because of the realisation on the part of Cosatu that restructuring will take place at the expense of jobs. (Toerien, 1995:n.p).

The relevance of such arguments is highlighted by the fact that the most common form of change within South African workplaces is the introduction of new technology. (Jarvis, 1998:30). Although 72% of shop stewards agreed that technological change provided opportunities for increased skills, and 86% found that it made work easier, many feared that technological change would lead to unemployment and increased job insecurity. (Philips, 1997:51). This stance is reflected by the South African government which argues that periods of rapid and deep-seated economic restructuring are associated with high levels of labour market insecurity. (Department of Labour 1:n.d:n.p). This simple fact underpins the insecurity and the opposition generated by structural change. (Department of Labour 1, n.d:n.p).

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<sup>58</sup> This opinion is summed up by Shilowa, the previous General Secretary of Cosatu who argues that, "(employers) want to brand us as an angry mob bent on destroying the economy. Suddenly the bosses who daily retrench, dismiss and exploit workers, want to position themselves and entrench in the mind of every member of society, that big business is for job creation and that the stumbling block to their objective is organised labour, Cosatu in particular". (Shilowa in The Shopsteward, Shopsteward Editors, 1996a:n.p).

However, the survey also unveiled some positive aspects of technical change. For example, in those companies in which there existed a high level of worker participation in technical change, where changes resulted in improved health and safety and where the change did not result in retrenchments, respondents were more positive about the introduction of new technology. (Philips, 1997:51). Nonetheless, although management felt that technology led to improvements in productivity, working conditions and task complexity, they did not see it as resulting in job creation. (Philips, 1997:52).

The end effect is that arguments of deskilling, retrenchments, job insecurity and a tighter control over production tend to mirror Knights and Willmott's argument that the effect of new technology is a process of deskilling, degradation, labour shedding and tighter control over the workplace. (Knights & Willmott, 1993:6). In support of this line of thinking, Cosatu argues that, "most managers are more concerned to reduce costs and workers and weaken unions, than to co-operate with unions or to upgrade the skills of their workers". (Cosatu in Bezuidenhout, 2000:n.p).

This scenario has brought about tremendous opposition, hostility and suspicion to the introduction of new technology on the part of Cosatu, which argues that they have begun to lose strategic initiative in this area. (Shopsteward Editors, 1996a:n.p). Furthermore, globalisation is regarded by Cosatu as the new form of world repression. (The Citizen, 2000e:3). The fight against globalisation will need the same solidarity shown to Cosatu during its struggle against Apartheid. (The Citizen, 2000e:3). At Cosatu's 7<sup>th</sup> Annual Congress, the general secretary of the International Confederation of Trade Unions (ICFTU) called upon Cosatu to unite in the world struggle against the injustices of globalisation. (The Citizen, 2000e:3).

Whilst such measures may reawaken the militarism of South Africa's labour movement, Jose argues that unions ought to concentrate on working out new strategies to respond to the changing environment in order to assist their members effectively. (Jose, 1999:n.p). Should unions fail to establish such strategies, the introduction of new technology will present an increasingly formidable challenge to unions. (Jose, 1998:n.p). These sentiments are supported by Erwin, who argues that, "International competition means that South Africa's trade union movement must accept that their 'style of unionism'... [is] now outmoded and will have to change to become more modern". (SAPA, 2000:n.p). Erwin goes on to add that globalisation and industrial strategies depend on the existence of a growing union movement. (Business Day, 2000v:4). In the absence of this, globalisation will destroy the working class and impoverish the country and its people. (Erwin in Business Day, 2000v:4).

The South African government has put forward a series of recommendations for ways in which victims of economic restructuring can be provided for. (Department of Labour 1:n.d:n.p). However, it warns that the success of such recommendations depend on the government's ability to expedite their implementation in a fashion that enjoys the full co-operation of all social partners. (Department of Labour 1:n.d:n.p).

President Mbeki supports this conviction by emphasising that government, business and labour must unite to meet the daunting challenges of the global market place. (Pan African News Agency, 2000a:n.p). This implies that conflicting relations between the labour movement and the government offer no hope for South Africa's economic future. (Department of Labour1:n.d:n.p).

As an alternative to conflict and militance, Jose points out that the changing environment also provides unions with the opportunity to play a far more effective and politically important role in society. (Jose, 1999:n.p). To seize this opportunity, unions require new approaches and strategies that will enable them to retain the role of social actors that can contribute to dynamic and equitable growth. (Jose, 1999:n.p). One such way is to secure a niche as efficient service providers to their members. (Jose, 1999:n.p).

#### **8.4 CONCLUSION**

This chapter has examined whether the rise of the service sector, the emergence of atypical employment, the demand for a more highly skilled labour force and the introduction of new technology are resulting in an aggregation or disaggregation of South African unions. The aim of this examination is to determine whether variations in the mode of production and shifts in the employment market comprise a factor that can account for the growth of South African unions and the simultaneous decline of German unions. The findings of this chapter are illustrated in the following table:

**Table 8.7: The Effect of Variations in the Mode of Production and Sectoral Shifts in the Employment Market on Union Strength in South Africa**

<b>POSSIBLE INDEPENDENT VARIABLE</b>	<b>POSSIBLE DEPENDENT VARIABLE</b>
<p style="text-align: center;"><b>Sectoral Shifts in the Employment Market</b></p> <ul style="list-style-type: none"> <li>- The Rise of the Service Sector</li> <li>- The Emergence of Atypical Employment</li> </ul>	<p style="text-align: center;"><b>Variations in Union Strength</b></p> <p>Potential Disaggregation</p> <p>Potential Disaggregation</p>
<p style="text-align: center;"><b>Variations in the Mode of Production</b></p> <ul style="list-style-type: none"> <li>- Racial Fordism</li> <li>- Flexibility</li> </ul> <p style="padding-left: 40px;">The call for Higher Skills</p> <p style="padding-left: 40px;">The Introduction of new technology</p>	<p>Aggregation</p> <p>Aggregation</p> <p>Aggregation</p>

As discussed in section 8.1.3, South Africa is experiencing an increase in employment of women in the service sector, and the increasing prevalence of part-time work and atypical forms of employment. Whilst the organisation of workers in the informal sector requires a paradigm shift for the trade union movement, if unions fail to take this step conflict could result between core and peripheral workers. (Hyman in Regini, 1994:153). Of concern is the fact that the informal sector has the potential to fragment the South African labour movement by organising social movements that are antagonistic to trade unions. (Crankshaw, 1997:30). Until unions address the needs of workers in the informal sector, the growth of atypical employment in the informal sector and the increasing prevalence of women in the service and informal sectors will create workers who are removed from the outlook and values of the South African labour movement. (Waddington & Whitston, 1997:518, 523; Kern & Sabel, 1994:22). According to Hyman, and as illustrated in Table 8.7, an increasing disaggregation of the labour movement will thus occur within South Africa. (Hyman in Regini, 1994:153).

Global pressures have resulted in the restructuring of many South African industries to more flexible forms of production in place of Racial Fordism which tempered the development of mass production methods

and the introduction of advanced technology. (Jarvis, 1998:30; Ray, 1998a:62). Table 8.7 indicates that Racial Fordism (the mode of production during Apartheid) led to an aggregation of the labour movement. This argument is based on Chapter 4 which illustrates the way in which African unions effectively mobilised against the Apartheid state in the early 1970s (at the time of a transition to an economic downswing) and again during the 1980s owing to their resistance to Apartheid policies.

Within the last decade, the need to restructure has led to a demand for more highly skilled workers, and to the introduction of new technology. (Jarvis, 1998:30). Although the call for a more skilled workforce, and the introduction of new technology, can potentially fragment the labour movement, South African unions have responded strongly, indeed militantly, against such measures taking place without adequate training and the social support that ensures the employment of displaced workers brought about by restructuring. In effectively organising the collective action of workers around such demands, it can be argued that restructuring, the demand for higher skills, and the introduction of new technology are features that have aggregated the South African labour force (See Table 8.7). (Shopsteward Editors, 1996a:n.p).

As opposed to merely equating union strength with transitions in long waves of the economy, this chapter illustrates that shifts in the employment market and changes in the mode of production comprise further variables that can influence union strength or decline. At present, changes in the mode of production have the effect of mobilising the South African union movement. However, shifts in the employment market have the potential to disaggregate South African unions if they do not take measures to incorporate the needs of workers in the informal sector and those in the service into union policy.

**SECTION 3: CHAPTER 9**

**ECONOMIC AND SECTORAL SHIFTS IN THE EMPLOYMENT STRUCTURE OF GERMANY**

**9.1 INTRODUCTION**

This chapter uses Hyman's Theory of Disaggregation (described in Chapter 3, Section 3.3) to determine the impact of variations in the mode of production and shifts in the employment structure on the German union movement. As Table 9.1 illustrates, this chapter examines whether the rise of the service sector, the emergence of atypical employment, the demand for a more highly skilled labour force and the introduction of new technology are resulting in an aggregation or disaggregation of German unions.

**Table 9.1: A Study of Variations in the Mode of Production and Sectoral Shifts in the Employment Market on Union Strength in Germany**

<b>POSSIBLE INDEPENDENT VARIABLE</b>		<b>POSSIBLE DEPENDENT VARIABLE</b>
<b>Sectoral Shifts in the Employment Market</b>	<b>Variations in the Mode of Production</b>	<b>Variations in Union Strength</b>
<ul style="list-style-type: none"> <li>- The Rise of the Service Sector</li> <li>- The Emergence of Atypical Employment</li> </ul>	<ul style="list-style-type: none"> <li>- Fordism</li> <li>- Flexibility</li> <li>(The call for higher skills and the introduction of new technology)</li> </ul>	<ul style="list-style-type: none"> <li>- Aggregation</li> <li>- Disaggregation</li> </ul>

Like South Africa, Germany has not been left untouched by the irreversible process of globalisation (defined in section 8.1). (Smadja, 1999:52). The automobile industry (one of Germany's greater strengths) has been at the forefront of internationalisation when it comes to moving markets and production systems beyond national borders. (Sengenberger in Tokunaga, Altmann & Demes, 1992:282; Jürgens in Tokunaga, Altmann & Demes, 1992:63). Under growing pressure of competition, firms have increasingly begun to tailor products according to the precise wants of customers. (Kern & Sabel in Regini, 1994:222). The results are an increased emphasis on the differentiation of demand, product innovation and an increasing cost of production. (Kern & Sabel in Regini, 1994:222). These events

encouraged German firms to recognise that globalisation implies tremendous emphasis on speed, flexibility, versatility and permanent change. (Smadja, 1999:52).

Germany lags behind countries such as England, Ireland, Singapore and the United States when it comes to global competitiveness. (Geary, 1999:28; World Economic Forum, 2000:n.p). In the World Economic Forum's 1999 Global Competitiveness Report, Germany was ranked 25 out of 59 countries. (World Economic Forum, 2000:n.p). Germany too needs to move away from Fordist modes of production to more flexible modes of production. Rigid manufacturing methods in Germany are no longer capable of meeting the markets flexibility requirements when it comes to reducing development costs and time, whilst increasing innovative capacity. (Altmann in Tokunaga, Altmann & Demes, 1992:18; Kern & Sabel in Regini, 1994:222, Gilton, n.d:n.p).

An additional problem is that, having enjoyed several decades of relatively full employment, Germany is now experiencing high levels of unemployment owing to the intensity of global competition. (Hyman, 1999:n.p; DGB, 2000d:n.p). This has led the German Trade Union Federation (DGB) to point out that conflict between increasing globalisation and a narrower nationalistic perspective gives rise to oppression, dependency and exploitation. (DGB, 2000d:n.p). Globalisation transforms the world of work and heightens social divisions. (DGB, 2000d:n.p). This calls for a broader understanding of trade union action. (DGB, 2000d:n.p).

To further exacerbate the problem of unemployment, competitive challenges of the global economy have heightened the need to increase flexibility in the labour market and to facilitate the acquisition of work-related skills. (Arulampalam & Booth, 1998:521). In the face of low market stability, either in terms of demand fluctuations or rapid changes in the type of product, a highly attached permanent workforce becomes costly to the firm. (Sengenberger in Bergmann & Tokunaga, 1987:257). Employers prefer more versatile, skilled workers who are better equipped to adjust to the changing demands of the market. (Sengenberger in Bergmann & Tokunaga, 1987:257).

As a result, familiar changes in European economies have been the faster growth of services and the expansion of the multifarious tertiary sector. (Baglioni in Crouch & Baglioni, 1990:6). However, the external labour market in Germany is less flexible than in other countries, which reflects strong employment protection and the growing role of internal labour markets. (Streeck, 1987:19). Nonetheless, the expansion of sectors that do not incorporate the traditional areas of labour, herald a change in the composition of the labour market. (Baglioni in Crouch & Baglioni, 1990:9). These changes can stimulate



or sustain union decline as highly skilled workers in emerging fields of employment tend to remain elusive to union recruitment. (Kern & Sabel in Regini, 1994:228).

## 9.2 THE CHANGING EMPLOYMENT STRUCTURE OF GERMANY

### 9.2.1 The Service Sector

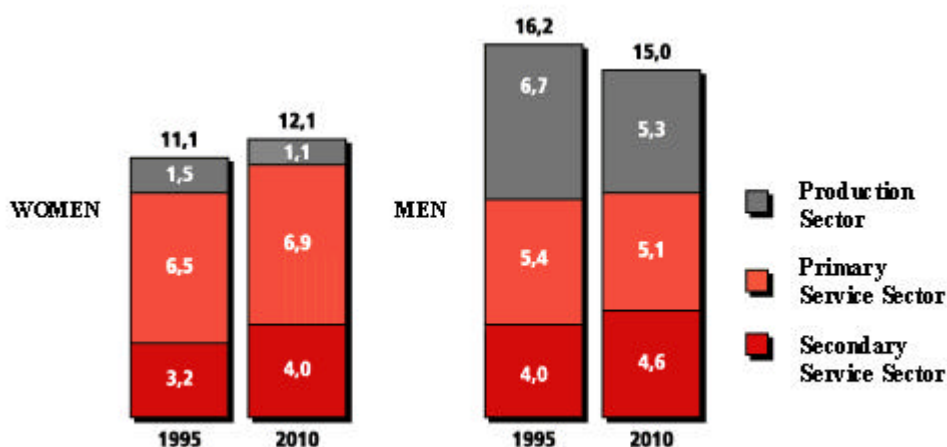
In the last few decades, all industrialised countries have undergone intense structural transformation that has favoured the service sector. (DaimlerChrysler, 1999:25). Esping-Andersen argues that new forms of segmentation and dualism have given rise to a new service proletariat and a surplus population of outsiders to the labour market. (in Regini, 1994:147). In Germany, service oriented companies have held increasing stocks of investments since 1995. (DaimlerChrysler, 1999:25).

Such changes in the composition of the labour market have been associated with membership decline owing to the instrumental attitude fostered toward unions by workers employed outside of the traditional areas of labour. (Baglioni in Crouch & Baglioni, 1990:9). This implies that more white-collar workers, women, youth and part-time workers employed in private-sector services ought to be recruited if membership decline is to be reversed. (Waddington & Whitston, 1997:516).

In Germany, women's participation in the labour market grew only slightly between 1975 and 1990: from 50,4% to 57% respectively. (Gross, 1998:n.p). This is owing to the fact that the German political framework relating to the employment of women remained on the conservative side until the 1990s. (Ernst in Bergmann & Tokunaga, 1987:98). Until 1989, the West German policy followed a one-sided concept which was directed against women: the Employment Promotion Act or *Arbeitsförderungsgesetz* of 1969 defined women as a problem group within the labour market whose chances of entry, stable employment and promotion needed to be supervised. (Ernst in Bergmann & Tokunaga, 1987:98).

Female employment has been increasing in the primary and secondary service sectors since 1995, and this trend is estimated to continue between now and 2010 (See Table 9.2). (DGB, 2000m:n.p). At the same time, female employment in the production sector has decreased. (DGB, 2000m:n.p). Male employment has declined in the production and primary service sector, and is also expected to increase in the secondary service sector. (DGB, 2000m:n.p). In keeping with global trends, Table 9.2 illustrates not only the continued growth of Germany's primary and secondary service sectors, but also the majority concentration of female employment within them. (DGB, 2000m:n.p; Nyman, 1996:30).

**Table 9.2: Female and Male Employment in West Germany, 1995 to 2010. (In Millions).**



Source: DGB, 2000m:n.p.

The DGB recognises the confederation and its unions need to open up to working people who can not be reached through the traditional avenues of factories, offices and public authorities. (DGB, 2000f:n.p). They also express the desire to implement diversity in unity by accessing those who until now remain under-represented: youth, women and so-called union free domains such as the service sector. (DGB, 2000f:n.p). However, 1999 statistics published by the DGB reflect less female and youth members than male members, despite the growth in female employment. (DGB, 2000j:n.p). In addition, the strongest constituency remains that of the blue-collar core, and there has been a decrease as opposed to an increase in white-collar membership. (DGB, 2000j:n.p).

A comparison of 1994 and 1998 figures for each membership group (men, women, youth, blue-collar workers, white-collar workers and civil servants) reflects a decline in membership for each group. (DGB, 2000j:n.p). The overall decline in the DGB's membership serves to prove Hyman's argument that occupational and sectoral shifts (as reflected by the increase in female and white-collar worker employment, and the decline of male employment in the production sector) and labour market segmentation (as reflected by the growth of female employment in the primary and secondary service sectors in Germany) will lead to the disaggregation of the labour movement. (Hyman in Regini, 1994:151). Unless the DGB can identify an agenda that appeals to the under-represented groups, (namely women, white-collar workers and youth), a decline in membership could be expected to continue. (Waddington & Whitston, 1997:516).

## 9.2.2 Emerging Atypical Forms of Employment

Until the 1950s, women belonged to the *'Heim und Herd'* (home and stove), in German society. (DAG Editors, 1997d:20). By 1975 female participation in the labour market stood at 50,4%, although unemployment statistics for women during the 1970s remained twice as high as those for men. (Gross, 1998:n.p; DAG Editors, 1997d:20).

Today, the participation rate of women in employment in Germany has shown a slight increase over the last three years, from 62,8% in 1997 to 63,8% in 1998. (SBD, 2000d:n.p). The participation of men is almost 20% higher than that of women, and remained stable at 80,3% during the same period. (SBD, 2000d:n.p). Women's employment is prominent, and has shown an increase, in Germany's primary and secondary service sectors. (DGB, 2000m:n.p). In addition, the overwhelming majority of part-time workers in Germany are women. (SBD, 2000e:n.p). According to the Federal Statistics Office, 20% of employees in Germany worked part-time in 1999 - 87% of these part-time employees were women. (SBD, 2000e:n.p).

The high incidence of women in part-time employment in Germany can be explained by taking into account that until recently, Germany did not follow an employment policy based on equal status for men and women. (Ernst in Bergmann & Tokunaga, 1987:98). This has a number of repercussions for female employment.

Firstly, German employees are reluctant to offer women positions of employment in the same variety and number as they do men. (Ernst in Bergmann & Tokunaga, 1987:98). This results in a narrow scope of typical occupations or activities for women with comparatively low pay and lack of promotional opportunities. (Ernst in Bergmann & Tokunaga, 1987:98). This is highlighted by the fact that on International Women's Day in 1997, female members of the German White-collar Union Confederation (DAG) developed the motto, "Women's Work: Especially Valuable or Especially Cheap?". (DAG Editors, 1997d:20). Women in Germany still continue to earn up to a third less than men in similar positions. (DAG Editors, 1997d:20; Wallace, 2000:86).

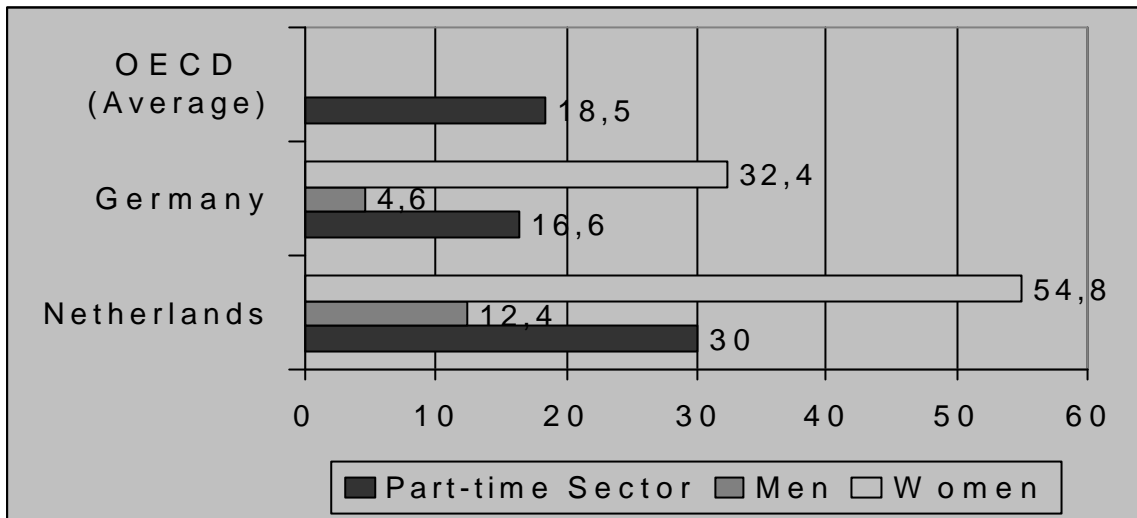
Secondly, principles of personnel policy in Germany follow a path closer to the Japanese than to the American strategy, by way of their encouragement of the 'job for life' mentality amongst employees. (Dussman, 1998/1999:46). Women operate at an immediate disadvantage with marriage and birth providing common reasons for leaving employment. (Ernst in Bergmann & Tokunaga, 1987:101). The

employment of mothers in Germany is not directly approved, and is far from being looked at in the same light as the employment of fathers. (Ernst in Bergmann & Tokunaga, 1987:102). Finally, re-entry into the labour market after an interruption of employment proves difficult for women in Germany owing to a lack of after school care facilities for children. (Ernst in Bergmann & Tokunaga, 1987:102). The management of the relationship between time spent at home and in employment is thus a relevant problem for Germany's female workforce. (Hyman, 1999:n.p).

These factors have led to the concentration of women in low paid jobs and explain why the option of part-time work is appealing to German women. (Ernst in Bergmann & Tokunaga, 1987:104). An increase in female participation in the labour market can also be attributed to the increase in opportunities in part-time work, although this trend has been less pronounced in Germany than in other countries. (Streeck, 1987:17). This sentiment is supported by the DGB who argues that the gender hierarchy that remains a structural feature of gainful employment has fundamental consequences for women, such as poorer remuneration and deficient promotion prospects. (DGB, 2000e:n.p). Part-time work, including low-hour low-pay jobs, which fail to qualify for social insurance, thus represent a typical employment pattern for women. (DGB, 2000d:n.p).

When examining the growth in incidence of part-time and other forms of atypical employment, Germany lags behind other Western economies. (DGB, 2000n:n.p). As Table 9.3 illustrates, 18,5% of the economically active population in the Organisation for Economic Co-operation and Development (OECD) countries were engaged in part-time work in 1998. (DGB, 2000n:n.p). Holland presents an above average example, with 30% of its employees working part-time, 54.8% of whom are female, and 12,4% of whom are male. (DGB, 2000n:n.p). Germany, is below average, with only 16.5% of its workforce engaged in part-time work. (DGB, 2000n:n.p). Of these, 32,4% are women, and 4,6% are men. (DGB, 2000n:n.p). Thus, although expanding slightly, it is safer to say that the incidence and distribution in part-time work in Germany has remained fairly stable when compared with the increasing incidence of part-time work in North America, Britain and even South Africa. (Crankshaw, 1997:29; Streeck, 1987:17).

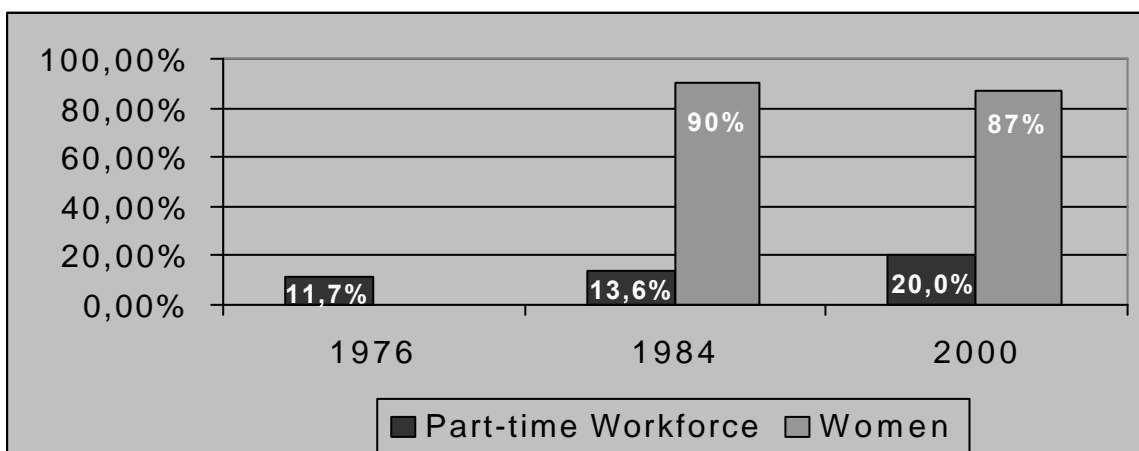
**Table 9.3: A Comparison of the Average Incidence of Part-time Work in Germany and the OECD Countries, 1998. (In %).**



Source: DGB, 2000n:n.p.

As depicted in Table 9.4, 11,7% of German wage earners were part-time employees in 1976. (Streeck, 1987:17). By 1984, the part-time workforce had only grown to 13,6%, at which stage 90% of the part-time workforce were women. (Büchtemann & Schupp, 1986:42). Today, part-time employment has only increased by a further 6% to a part-time workforce of 20%, 87% of whom are female. (SBD, 2000e:n.p). The incidence of part-time work dropped between 1998 and 1999 by 6,1% in the Trade, Hotel and Restaurant Industry, although a corresponding increase in full-time employment did not occur. (SBD, 2000f:n.p).

**Table 9.4: The Incidence of Part-time Employment in Germany, 1976 – 2000.**



Source: Streeck, 1987:17; Büchtemann & Schupp, 1986:42; SBD; 2000e:n.p.

If the primary and secondary service sectors continue to expand in Germany, as forecast by the DGB, part-time work will become increasingly typical, as will other forms of atypical employment such as home-workers (to be discussed in the sub-section that follows). (DGB, 2000m:n.p; Hyman, 1999:n.p). This implies that for German unions to reverse the process of disaggregation and the decline in their membership, they need to extend their membership into the hitherto unorganised areas of atypical employment. (Waddington & Whitston, 1997:538).

#### 9.2.2.1 Home-Workers

Owing to the general unpopularity of part-time and other atypical forms of work in Germany, a review of the German literature pertaining to atypical forms of employment which are increasing in prevalence in South Africa, (e.g. Home-workers, Domestic Workers and Farm Workers), revealed little information. Home-workers, referred to as *'Teleheimarbeiter'* or "telehome workers" do exist in Germany, but on a very small scale. (DAG Editors, 1997e:8). As a result, neither a legal nor classic definition for this form of work exists. (DAG Editors, 1997e:8). Despite the advantages it offers, trade unions are critical of the idea of working from home owing to the risks it involves: namely that, unlike full-time employees, the home-worker has no work or social rights and no access to social security. (DAG Editors, 1997f:8; DAG Editors, 1997e:8).

Nonetheless, the idea is becoming better known, and resulted in a 1997 survey that was conducted on *Hausverbundenen Arbeit* (HVA) or "home-bound work". (DAG, 1997g:9). The positive outcomes of home-work were manifold: it reduces what can be very long driving time to and from work, home-working parents with children were able to take their children to kindergarten or school and collect them in the afternoon (important, because of the lack of after-school childcare in Germany); less interruptions and more flexibility and freedom. (DAG Editors, 1997g:9). Telehome work also grants disabled workers an opportunity to participate in the labour market, in the comfort and suitability of their own homes. (DAG Editors, 1997h:20).

Potential problems reported were that a great deal of self-discipline is essential, and a more direct "over the phone" manner was required when communicating with colleagues over the phone, as the *'über den Tisch'* or "over-the-table" discussions no longer existed. (DAG Editors, 1997g:n.p). The latter factor is significant for German employees as communication between business colleagues takes place in an extremely formal and tentative manner, unlike in American offices where people are on first name terms and can communicate in a more direct manner. Even so, large multinational companies such as *Allianz*

and *Siemens* have used the approach of home-working with moderate success. (DAG Editors, 1997g:n.p).

Nonetheless, full-time employment, with a standard working week, has remained the rule in Germany. (Streeck, 1987:17). Kelly refers to this as a typical post-war era household: a fully-employed male wage earner and a non-employed, or part-time low income earning wife. (Kelly, 1997:394). Hyman points out that this implies that the “normal” worker in Germany, and hence the “normal” potential trade union member, is a full-time, male employee whose employment status is not merely casual, and who comprises the breadwinner of the family. (Hyman, 1999:n.p).

In turn, this profile has until now shaped the predominant concerns of the German trade union agenda: terms and conditions of employment in relation to reducing the standard working week and limiting the employer’s ability to dismiss workers at will. (Hyman, 1999:n.p). Clearly a transformation in the organisation of German unions is required. Hyman argues that achieving this transformation is a matter of increasing urgency owing to the fact that atypical employment is becoming increasingly typical, especially at the lower end of the labour market, and in some countries effects the majority of the workforce. (Hyman, 1999:n.p; Jose, 1999:n.p). The net outcome is an increased segmentation of the German labour market. (Jose, 1999:n.p).

### **9.3 THE EFFECTS OF TECHNOLOGICAL CHANGE ON THE GERMAN LABOUR FORCE**

#### **9.3.1 Skill Development**

German unions support the expansion and upgrading of vocational training, in light of the increasing prevalence of new technology. (Sorge & Streeck in Hyman & Streeck, 1989:37). Despite the fact that, when looked at from a labour market perspective, an increase in the supply of skilled labour will depress its price, German unions appear to act against their own interests owing to their awareness of the exposure of German industry to a highly competitive world product market. (Sorge & Streeck in Hyman & Streeck, 1989:37). Vocational training is thus supported as it produces an oversupply of skills and facilitates an organisation of work that can easily cope with technical change. (Sorge & Streeck in Hyman & Streeck, 1989:38).

At the same time, German unions remain conscious of the fact that high-wage manufacturing industries can only survive with a flexible quality production system based on a large supply of adjustable skills.

(Sorge & Streeck, 1989:38). In recognition of the importance of these adjustable skills, the DGB puts forward that the work of the future requires new qualifications from employees. (DGB, 2000k:n.p). The acquisition of key abilities and skills is necessary to master the rapid, technical changes in the work environment. (DGB, 2000k:n.p). Vocational training must provide young people with qualifications that not only grant them the ability to adapt to technological development and the short-term demands of the job market, but should also prove useful for the long-term participation in the employment market. (DGB, 2000k:n.p).

These demands are made particularly in light of the fact that employers today clearly differentiate between those with skills, who have undergone education and training, and those without. (DAG Editors, 1997j:12). Today qualified, skilled workers are regarded as the most valuable assets to German companies and production systems, which are traditionally oriented toward technical solutions. (Jürgens in Tokunaga, Altmann & Demes, 1992:173). A further disadvantage for the under-skilled is that Germany's employment market currently reflects a declining proportion of available jobs, and an ever growing proportion of job-searchers. (DAG, 1997h:20; Pahl, 1997:10).

To counteract the negative effect of having no skills in Germany's job market, the DAG suggests that intensive training should be undertaken in those sectors of the labour market that have recently developed, (such as the service sector), or in those sectors where until now opportunities for training have not existed, (such electronic information and communication software). (DAG, 1997j:12). In active support of vocational training, the DAG proposes that finding a job will be a more likely prospect if training within these sectors is undergone. (DAG, 1997j:12).

This has prompted unions to campaign for vocational training owing to the fact that without skills, workers have very little chance of finding a job. (DAG, 1997h:20; Pahl, 1997:10). In illustration of this, between 1962 and 1987, blue-collar workers in the chemical industry in possession of an initial vocational training qualification, increased from 25% to 39%. (Muller, 1997:620). For white-collar workers, it rose from 22% to 37%. (Vera in Muller, 1997:620). Even for jobs that were traditionally occupied by unskilled or semi-skilled workers, a minimum of a vocational training qualification has become an entrance requirement. (Muller, 1997:620).

In addition, the DGB and DAG actively encourage all young school leavers to undergo vocational training so as to ensure for themselves a favourable start and increased opportunities in the employment market. (DAG Editors, 1997i:11; DGB, 2000k:n.p). Young people are encouraged to accept that earning less



money whilst undergoing training, is better than trying to earn money without any occupational training. (DAG, 1997i:11). In this instance, union support of training to facilitate skill acquisition is linked to the fact that it reduces the risk of becoming unemployed in the future. (Pahl, 1997:10).

Streeck supports this sentiment by pointing out that those without formal occupational training are vastly over-represented amongst the unemployed in Germany. (Streeck, 1987:18). Even semi-skilled workers no longer possess skills which fit with the requirements of today. (Sauer in Tokunaga, Altmann & Demes, 1992:203). These facts have prompted the DGB to advise that older employees as well as those without sufficient qualifications ought to undergo further vocational training. (DGB, 2000k:n.p). Vocational training is also seen as a means of helping employees displaced by technology to find new jobs. (Kassalow in Bamber & Lansbury, 1989:54). To assist with these endeavours, both the German government and local municipalities cover the costs of vocational training for the unemployed. (Pahl, 1997:10).

Unions propose that training motivates workers to take over new tasks, acquire new qualifications and accept the continuous fast adjustments in the organisation of work. (Streeck, 1986:14). Thus extensive, standardised vocational training regulated by law or collective contract is seen as an important precondition for the occupational labour market to develop and prevail. (Sengenberger in Bergamnn & Tokunaga, 1987:246).

So far, and in agreement with Hyman's aggregation theory, union efforts at providing vocational training appear to be a factor that might enable unions to extend their membership and aggregate the German workforce. However, factors do exist which also make the disaggregation theory a likelihood for Germany.

Firstly, whilst the demand for highly skilled workers is rising, the demand for unskilled workers is declining. (Streeck, 1986:14). This illustrates that blue-collar workers no longer comprise the most crucial part of total employment either quantitatively or qualitatively. (Streeck, 1986:14; Tokunaga in Tokunaga, Altmann & Demes, 1992:41). In some areas the character of the unions has been transformed by the emergence of a new, highly skilled white-collar workforce. (Cressey & Di Martino in Bamber & Lansbury, 1989:139). This new workforce can prove less willing to be involved in unions, particularly if their leadership is still dominated by blue-collar traditions. (Cressey & Di Martino in Bamber & Lansbury, 1989:139).

Secondly, even though the provision of training to enhance the movement toward a high-skill, high-wage economy may appear attractive, it can also prove problematic. (Kelly, 1997:394). An increase in skills can significantly raise labour productivity, but can also simultaneously cut labour demand, and in doing so, do little to reduce rising unemployment which has become a feature of Germany. (Kelly, 1997:394; Hyman, 1999:n.p).

In this way, additional training to upgrade one's skills provides no guarantee for future employment. Indeed, in contrast to Streeck, who argues that the majority of the unemployed in Germany are without formal occupational training, Vally argues that half of the unemployed in Germany have passed through the country's apprenticeship system. (Vally, 1997b:85). Furthermore, the fact that union presence is associated with more training to increase or improve upon skills, suggests that some unions and firms are co-operating to exploit mutual gains in the provision of training. (Arulampalam & Booth, 1998:531).

From the above arguments, it is clear that there exist strongly contrasting views relating to the issue of raising the skills level of the German workforce. What remains lucid is that flexible production methods and new technology, whether supported or resisted by unions, lead to new forms of labour market segmentation with a smaller core of highly paid, skilled workers and a periphery of insecure, unskilled workers who are forced into temporary or casual employment. (Vally, 1997b:88). This system, whilst improving global competitiveness, fails to provide relief for the unemployed, and instead exacerbates the problem of unemployment. (Vally, 1997b:88).

### **9.3.2 The Introduction of New Technology**

Since the early 1970s, production in the German industry has been restructured in favour of high technology. (Sengenberger in Bergmann & Tokunaga, 1987:257). Today, in order to move away from fordism and overcome the rigidity of mass production in Germany, organisational and control technologies are becoming the decisive flexibility resource for reorganisation both within and beyond the boundaries of any one process or company. (Sauer in Tokunaga, Altmann & Demes, 1992:199). Within this context, many companies are furiously restructuring to reinvent themselves as global players. (Bressand, 1998/1999:151). In this light, the DGB argues that technology, as a key factor in global competition, also represents a key factor in the battle for full employment. (DGB, 2000b:n.p).

In Germany, the problem of retrenchment in favour of new technology is not as widespread as in South Africa, owing to labour legislation that makes the dismissal of employees both a difficult and costly

venture. (Wyplosz, 1998/1999:128; Dussman, 1998/1999:46). German co-determination laws allow labour to block many changes desired by management. (Kern & Sabel in Regini, 1994:227). This means that the execution of measures such as dismissals, the increased use of early pensions to remove older workers from the workforce and the more aggressive hiring of younger persons with up-to-date technical skills, all require approval from the company Works Council. (Kern & Sabel in Regini, 1994:227).

The restrictions on unilateral action by management and the costs of making employees redundant guarantees a large amount of employment protection. (Bamber & Lansbury, 1989:87). This is reflected by the fact that the average length of employment in West Germany is second only to Japan, and adjustment of employment to output takes longer than anywhere else except Japan. (Streeck, 1987:19). When looked at from a positive perspective, the current reorganisation of industry creates new possibilities for the exercise and extension of trade union authority. (Kern & Sabel in Regini, 1994:227). German management can not afford to undergo a simultaneous struggle with both its competitors and its workforce. (Kern & Sabel in Regini, 1994:227).

However, increasingly it is being argued that these protective laws serve to protect some and hurt others. (Dussman, 1998/1999:46). The difficulty of dismissing unwanted employees has, to an extent, discouraged hiring and encouraged the replacement of manpower with machinery. (Wyplosz, 1998/1999:128). These views support the perspective that technological development provides management with the possibility of replacing a well-trained and relatively expensive labour force with complex machinery of a high technological standard. (Internationales Institut für Management und Verwaltung, 1979:27).

Replacement of human labour with machinery is reflected by the fact that in global companies within the auto industry, 100 000 jobs were lost between 1990 and 1998. (DAG Editors, 1998d:20). Unions are faced with the dilemma that what serves the interests of some of their members, clashes with the interests of other members leading, possibly, to an increasingly unorganised marginal workforce. (Streeck, 1987:19). As a further result of the changing methods of production, mergers and take-overs between companies are becoming more common. (Barrett, 1997:89). In Germany, the merger between *Krupp* and *Thyssen* led to a loss of 10 000 jobs. (Barrett, 1997:89).

Labour's loss of strategic importance in the direct production process is offset by an increase in the importance of skilled labour. (Sauer in Tokunaga, Altmann & Demes, 1992:199). In accordance with this trend, the composition of the German labour force now includes a higher proportion in the tertiary sector

with higher qualifications. (Jacobi & Müller-Jentsch in Crouch & Baglioni, 1990:128). Germany's tertiary sector now contributes approximately two thirds of gross value added. (DaimlerChrysler, 1999:25). As a result, the social composition of the workforce in Germany now includes a higher proportion in the tertiary sector with higher qualifications. (Baglioni in Crouch & Baglioni, 1990:128).

This occurrence is mirrored in the UK where white-collar staff have taken over from blue-collar workers as Britain's most heavily unionised employees. (Daily Mail, 2000:33). Figures indicate that 30% of office staff are members of a union compared with 29% of the blue-collar workforce. (Daily Mail, 2000:33). The reasons for this are two fold: firstly, many firms prefer the employment of skilled labour that is more capable of providing the required quality of work and changes in the production programme. (Sengenberger in Bergmann & Tokunaga, 1987:257). Secondly, the increase in white-collar recruits indicates that professions once regarded as offering jobs for life, such as banking, are now seen as increasingly insecure. (Daily Mail, 2000:33).

The higher percentage in the UK of unionised white-collar workers than their blue-collar counterparts, also reflects a change in the composition of the labour market that can be linked to a decline in the potential membership of unions. (Waddington & Whitston, 1997:515). Generally, unions have great difficulty in organising those employees who are in increasing demand within the labour market - young, technically skilled employees. (Kern & Sabel in Regini, 1994:228). In Germany, firms are increasingly recruiting university-trained engineers: a group which has never had an affinity for the labour movement. (Kern & Sabel in Regini, 1994:228). As Kern and Sabel argue,

“...traditional goals are not these groups' more pressing concerns. Collectively bargained wage increases, protection from the intensification of work, formal recognition of skill and legal reinforcement of job security are of secondary interest to persons who, by virtue of their knowledge, have a strong position in the labour market, and who, so long as they are young, are unlikely to want to work where they are unwanted. Their chief concerns lie elsewhere, in areas where the unions until now have had little to say ... in confusion about how they themselves are to keep pace with technical change; and ... in worries about the long-term unpredictability of their own careers”. (Kern & Sabel in Regini, 1994:228/229).

Schnabel who points out that high proportions of difficult to organise groups, such as white-collar workers, lower the success of unions in recruiting new members. (Schnabel 1987:9). At the same time, the German unions are aware that, without increases in productivity and innovation, the high-wage structure

of the German economy can not be sustained. (Schroeder, 1998:83). As a result, trade unions recognise that companies must invest heavily in new technology to remain competitive. (Rainbird in Hyman & Streeck, 1989:175). Their policy is therefore not to resist technological change, but to attempt to control it by seeking agreements for new technology and job security. (Rainbird in Hyman & Streeck, 1989:175).

Consequently, the individualism of these white-collar employees has marked an era of social structure and policy characterised by the dissolution of labour movements. (Waddington & Whitston, 1997:516). To prevent further disaggregation and decline, it is recommended that unions adjust to the individualism of these groups by re-inventing themselves and adopting a client-centred approach in their relationship with their members. (Waddington & Whitston, 1997:516).

#### **9.4 CONCLUSION AND COMPARISON**

This section has used Hyman's Theory of Disaggregation to determine the impact of variations in the mode of production and shifts in the employment structure on the South African and German union movements. The aim is to determine if variations in the mode of production and shifts in the employment market comprise further variables that can account for the strength of South African unions and the simultaneous decline of German unions. The findings are represented in Table 9.5 on the following page.

As Table 9.5 illustrates, a clear problem for German and South African unionism stems from the growing segmentation of the labour market by way of the expansion of atypical employment, and the increasing prevalence of women in the labour market. (Baglioni in Crouch & Baglioni, 1990:35; Jose, 1999:n.p). The DGB goes so far to admit that unions are to blame for a dwindling union membership due to their lack of openness toward structural changes taking place. (DGB, 2000c:n.p).

In reaction to Waddington & Whitston's argument that a key explanation for non-membership is the inability of unions to make contact with, or provide sufficient support to, potential members rather than a principled opposition to unionism, both Cosatu and the DGB have expressed the desire to access the underrepresented including women and those working in union-free domains. (Waddington & Whitston, 1997:518; DGB, 2000f:n.p). If successful, an aggregation could well take place within both union movements. (Hyman in Regini, 194:153). Until then, when viewed from Hyman's perspective, these non-standard forms of employment will continue to create divisions between core and periphery workers and add to the disaggregation of the labour movement's. (Hyman in Regini, 1994:153).

**Table 9.5: The Effect of Variations in the Mode of Production and Sectoral Shifts in the Employment Market on Union Strength in South Africa and Germany**

<b>POSSIBLE INDEPENDENT VARIABLE</b>	<b>POSSIBLE DEPENDENT VARIABLE</b>	
<p><b>Sectoral Shifts in the Employment Market</b></p> <ul style="list-style-type: none"> <li>- The Rise of the Service Sector</li> <li>- The Emergence of Atypical Employment</li> </ul>	<p><b>Variations in South African Union Strength</b></p> <p>Potential Disaggregation</p> <p>Potential Disaggregation</p>	<p><b>Variations in German Union Strength</b></p> <p>Disaggregation</p> <p>Disaggregation</p>
<p><b>Variations in the Mode of Production</b></p> <ul style="list-style-type: none"> <li>- Racial Fordism (South Africa) / Fordism (Germany)</li> <li>- Flexibility</li> <li style="padding-left: 20px;">The call for Higher Skills</li> <li style="padding-left: 20px;">The Introduction of New Technology</li> </ul>	<p>Aggregation</p> <p>Aggregation</p> <p>Aggregation</p>	<p>Aggregation (Wave of mobilisation between 1968 and 1974).</p> <p>Potential Dissaggregation</p> <p>Potential Disaggregation</p>

New economic uncertainties have forced both South African and German enterprises to review their strategies and structures, including their utilisation of labour. (Streeck, 1986:14). In South Africa this has involved a move away from Racial Fordism to more flexible modes of production. Similarly, Germany is attempting to move away from the rigidities of Fordism to more flexible modes of production. Mobilisation of both the South African and German labour movements during the utilisation of Racial Fordism and Fordism respectively did take place. In South Africa, this took place in particular during the 1980s in reaction to the Apartheid state policies, and in Germany this occurred between 1968 and 1974, at the point of a transition to an economic downswing. (See chapters 4 and 5).

Part and parcel of the shift toward flexibility is the demand for employees with a high standard of adjustable skills. (DGB, 2000k:n.p). As a result, South African and German union support training opportunities for employees. (Sorge & Streeck in Hyman & Streeck, 1989:37). At present, co-operation between South African unions and the government over the issue of providing security and training to unskilled workers aggregating the union movement in that country. In Germany, qualified, skilled workers are regarded as the most valuable assets to German companies and production systems. This has led to

a new form of labour market segmentation with a smaller core of highly paid, skilled workers and a periphery of insecure, unskilled workers who are forced into temporary or casual employment. This serves to exacerbate conflict between employed and unemployed workers and has brought about a shift from individualism to collectivism. Until reversed, these developments will continue to obstruct effective, collective organisation in Germany. (Hyman in Regini, 1994:153). Thus the demand for higher skills within the employment market has the potential to disaggregate German unions.

The introduction of new technology has aggregated South African unions owing to their strong opposition to job loss, job insecurity linked to the retrenchments of workers, and the replacement of human labour with machinery. (Dantjie, 1995:n.p). In Germany, job insecurity arising from retrenchments is not as problematic for German employees owing to co-determination laws which block such changes from taking place. (Kern & Sabel in Regini, 1994:227). Nonetheless, the introduction of new technology is creating a split in the German workforce, between those who enjoy the benefits of technological innovation and adapt successfully to the changed requirements of the job (core workforce), and those who lose and are gradually marginalised in the productive processes (peripheral workforce).

The resultant, more diversified patterns of employee interests intensify the problems of filtering and aggregating constituent expectations. (Hyman, 1997:311). For German unions, extending membership to the unorganised areas (such as the emergent white-collar groups), is important to prevent disaggregation from taking place. (Waddington & Whitston, 1997:538).

In conclusion, this section illustrates that in addition to transitions between upswings and downswings in the economy, variations in the mode of production and sectoral changes in the employment market do comprise variables that impact upon the strength or decline of union movements. This section also reveals that owing to the changes necessitated by globalisation, South Africa as a transitional economy, and German as a mature economy, are encountering similar changes to their modes of production and employment markets. However, whilst it is clear that changes in the mode of production and shifts in the employment market can impact positively or negatively upon union strength, this chapter also illustrates that these factors alone can not account for the current strength of South African unionism and the decline of German unionism.

## SECTION 4: CHAPTER 10

# TRADE UNION IDENTITY AND SOCIAL MOVEMENT UNIONISM: A COMPARISON BETWEEN SOUTH AFRICA AND GERMANY

### 10.1 INTRODUCTION

This section focuses on the independent variable of union strength by utilising Kelly's Trade Union Identity Theory and Mobilisation Theory. The aim is to establish whether the roles adopted by the South African and German labour movements during their confrontation with labour repressive regimes impacts upon their ability to attract union membership today, despite the constraints imposed upon unions by transitions between upswings and downswings in the economy, and prevailing economic and structural uncertainties. Consequently, the historicity of the South African and German labour movements, (based upon the findings of the first section of this study), is referred back to. At the same time, the reactions of the South African and German labour movements to prevailing economic and structural realities, (as examined in the second and third sections of this research) are referred back to.

Section 1 illustrates that both the South African and German union movements emerged in a confrontationalist context before experiencing a transition to a 'social democratic' setting. Links formed between opposition party's and the union movement remain in tact to this day. Sections 2 and 3, which deal with Hyman's Theory of Disaggregation illustrate that similarities between South African and German unionism are not merely to be found in their historical development. Above and beyond having emerged within similar historical and political contexts, both labour movements are vulnerable to similar socio-economic factors related to recession and sectoral shifts within the employment market. Within a labour friendly, social democratic environment, both labour movements continue to grapple unemployment, poverty, atypical and female employment, the demand for higher skills in the workforce and the introduction of new technology.

Overall these issues, although presenting the same potential or real dangers to the South African and German labour markets, presently aggregate the South African labour force, whilst disaggregating the German labour force.



Hyman's theory thus proves accurate on two counts: firstly, it satisfactorily explains the aggregation of the South African workforce, and secondly, it fully accounts for the disaggregation of the German workforce. Yet, it would seem reasonable to expect that, as both countries experience similar economic and sectoral shifts in the employment market, possess labour friendly legislation and share similar facets of union history, both labour movements should suffer the same fate. What is required is an account of why, under the same circumstances, one labour movement experiences membership growth, whilst the other experiences a membership decline.

As a starting point, instead of looking at the similarities, it is useful to examine the differences between South Africa and Germany. Two vital differences exist between the labour movements in the two countries which lead to two questions. The first difference is that South African unions continue to enjoy an increase in membership, whilst unions in Germany are experiencing a decrease in membership. (Cosatu, 2000:n.p; Filita, 1997:33, 38; DGB, 2000j:n.p; DGB, 2000l:n.p). The first question that arises is whether or not the identity of the South African and German unions impacts upon their ability to attract membership? Given that the union movements of both countries are faced with similar difficulties owing to the economic and sectoral shifts that are taking place in both labour markets, does the approach which rises out of the identity of the South African labour movement, differ to that of German unions in such a way that it can account for an increase in union membership in South Africa, whilst Germany experiences union decline?

The second difference is that unlike the German unions who were crushed by the National Socialist regime, South African unions played a role in the liberation movement that finally brought about the fall of Apartheid and the implementation of South Africa's first democratic and non-racial government. (Valentine, 1986:25; Silke, 1997:n.p; ANCd, 1968:n.p). This casts the South African labour movement in the role of a social movement, which is defined as "a collective action aiming at the implementation of central cultural values against the interest and influence of an enemy which is defined in terms of power relations". (Touraine, 1991:389).

The question that arises is whether or not it is possible that the role played by both union movements in the transition to a Social Democratic Typology is a factor that impacts upon the membership levels of the unions today? In other words, does the fact that South African unions played a social movement role add to their success in attracting membership today?

In considering how the identity and/or social movement role played by unions can impact upon the growth or decline of union membership, it becomes necessary to go beyond conventional categories of economic and political unionism and re-examine the development of the labour movements in these two countries. (Hirschsohn, 1998:633).

## 10.2 TRADE UNION IDENTITY

Trade Union Identity Theory, (described in Chapter 3, Section 3.4) can be represented diagrammatically as follows:

**Table 10.1: Trade Union Identity.**

<b>Aspects of Trade Union Identity</b>	<b>Positive Impact on Union Strength and Membership</b>	<b>Negative Impact on Union Strength and Membership</b>
Opponent	Yes	No
Balance of Power	Contemporary	Traditional
Interests and Agenda	Broad	Narrow

### 10.2.1 The Necessity of an Opponent and the Issue of Militancy: South Africa and Germany

On examining of the context of South African unions within Valenzuela's Confrontationist framework (Chapter 4), it was found that the Apartheid government embodied the opponent that linked the South African labour movement to the principle of opposition. (Valentine, 1986:25; Silke, 1997:n.p; ANCd, 1968:n.p). According to Touraine, South Africa's contemporary society (social democratic and labour friendly) has arisen from the conflictual processes that prevailed between the labour movement and Apartheid government prior to 1994. (Rucht, 1991:362).

Similarly, the present day structure, principles and programmes of Cosatu have been shaped by the political environment prevalent during the Apartheid regime. (Cosatu, 2000:n.p: Valenzuela in Regini, 1994:54). This is illustrated by Cosatu's continued emphasis on establishing a democratic society, free of racism, sexism and the exploitation of the working class. (Cosatu, 2000:n.p). In this way, the character of the South Africa labour movement, unions and federations, such as Cosatu, are not founded purely on economy, but are also rooted in their historicity. (Rucht, 1991:363).

With regard to Germany, and as illustrated in Chapter 5, the structure and policies of the DGB today have also been shaped by the early, oppressive climate within which the labour movement emerged, and by the later encounter with the political extremism employed by the National Socialist Dictatorship. (International Research Group, 1981:126; Internationales Institut für Management und Verwaltung, 1979:2). Contemporary German society has evolved from the conflict that prevailed in Germany prior to the Second World War, and particularly during the Nazi Regime. (Internationales Institut für Management und Verwaltung, 1979:1; International Research Group, 1981:120). The pre World War Two environment instilled union opposition to political extremism and xenophobia, and this sentiment has in turn shaped the present day structure and policies of the DGB. (DGB, 2000d:n.p; DGB, 2000h:n.p; DGB, 2000i:n.p). In this way, the character of the DGB today is not simply founded on pure economy, but, as in the case of South Africa, is also rooted in its historicity. (Rucht, 1991:363).

Within its new labour friendly, social democratic context, management, employers and the ghost of an Apartheid past comprise the opponents of the union movement in South Africa's contemporary labour market. Global forces have pressured South African companies to adapt by restructuring firms so that they can adapt to the new economic environment. (Sengenberger, 1990:n.p). Amongst other features, this includes the introduction of new technology. (Jarvis, 1998:30).

Although unions appreciate the way in which technological innovations can improve working life, these innovations are also associated with deskilling, insecure employment and retrenchment. (Philips, 1997:52, 54). In not enjoying the same amount of employment protection as their German counterparts, these threats have evoked militant responses from the South African workforce due to high levels of job insecurity and the threat of being added to the 34% unemployed. (Philips, 1997:54; Department of Labour, 2000:n.p; Sowetan, 1999b:17; Business Day, 2000e:8; Business Day, 2000h:1; Pretoria News, 2000d:1; Natrass & Seekings, 1996:66; Sitas, 1998:16).

This is illustrated by the high incidence of strikes in South Africa, which not only reflects contentious relations between management and the workforce, but which also underpins the opposition and insecurity generated by structural change. (Business Day, 2000h:1; Pretoria News, 2000d:1; Shopsteward Editors, 1996a:n.p; Department of Labour 1, n.d:n.p). In this area, Cosatu differs from the type of union identity Hyman envisages as being that which is required to maintain membership today. For Cosatu, the issue of militancy and strike action remains just as relevant today as it did in the past. (Thobejane, 1996:15).

This is reflected by Cosatu's May 2000 strike campaign in which 40% of the South African workforce participated, and which cost the South African economy roughly R3,2 billion and cut growth by half a percentage point. (Business Day, 2000h:1; Pretoria News, 2000d:1). Yet, according to Hyman, the reliance on traditional strike action by Cosatu should prove inadequate in dealing with the contemporary South African industrial relations climate, and could result in a loss of membership. (Hyman in Kelly, 1997:n.p). However, Cosatu continues to enjoy an expanding membership in today's climate. (Cosatu, 2000:n.p).

According to Kelly, it appears that South African workers continue to feel a sense of injustice and believe that management is responsible: an important factor that contributes to a strong union identity. (Kelly, 1997:n.p). This is supported by statements made by the Gauteng Premier, Sam Shilowa, who argues that employers label the South African labour force an 'angry mob' that want to destroy the economy in the hope of proving that labour is the stumbling block for Big Business. (Shilowa in The Shopsteward, Shopsteward Editors, 1996a:n.p).

In addition to their opposition, hostility and suspicion toward retrenchments and fear of increased managerial control brought about by the introduction of new technology, South African unions remain wary of the acquisition of new skills without the security of knowing that these new skills will result in employment. (Shopsteward Editors, 1996a:n.p; Vally, 1997b:85; Philips, 1997:50; Department of Labour 1, n.d:n.p). This has encouraged unions to call upon workers to resist the business agenda and fight for the rights of workers and the broader society at a social, economic and political level. (Shilowa in The Shopsteward, Shopsteward Editors, 1996a:n.p). These demands and reactions enhance trade union identity and result in the continued belief, on the part of the workers, that the unions play an essential role in protecting their interests. The unions, in turn, continue to attract an increasing membership. (Kelly, 1997:n.p).

Today, the German workforce is experiencing similar disadvantages within the workplace as those encountered in South Africa, yet German unions approach the negative effects of globalisation in a different manner. German unions do not resist, but instead accept, the introduction of new technology as necessary for companies to remain competitive. (Rainbird in Hyman & Streeck, 1989:175). They continue to support the system of vocational training, despite it not being a guarantee for employment, and they are able to block many retrenchments owing to strong employment protection. (Sorge & Streeck, in Hyman & Streeck, 1989:37; Wyplosz, 1998/1999; 128; Dussman, 1998/1999:46; Kern & Sable in Regini, 1994:227). The latter factor leads to less job insecurity and less militancy than that

experienced by the workforce in South Africa. However, German unions are having to face the reality that the contemporary labour market is such that individuals can no longer anticipate unbroken employment within a single organisation. (Hyman, 1999:n.p).

Germany is renowned for its low record of industrial disputes. (Hassel, 1999:483). As opposed to traditional methods of action, the DGB focuses on social cohesion via its system of central collective agreements which are aimed at a high degree of consensus and co-operation. (Hassel, 1999:484). This approach falls indicates that as opposed to employing the protracted strike as a method of action, methods of struggle more in tune with the contemporary balance of power are utilised. (Kelly, 1997:n.p). However, as opposed to maintaining their membership, membership levels are declining.

These facts highlight the reality that in Germany, the employers and management are not the opponent of the unions (as they are in South Africa) but rather the intangible process of globalisation, and the effect that it is having on the labour market. This could result in a return to mass unemployment, an emerging core of highly skilled white-collar workers that remain elusive to union recruitment strategies and who enhance the shift from collectivism to individualism, a growing service sector with under represented workers and the need for more flexible patterns of employment. (Hyman, 1999:n.p; DGB, 2000d:n.p; DGB, 2000m:n.p; Baglioni in Crouch & Baglioni, 1990:128; DaimlerChrysler, 1999:25).

However, this is a process that can not be fought against: it is the very thing that German unions need to adapt to by broadening their agenda and interests. (Sengenberger, 1990:n.p). German unions need to search for ways to manage the processes and threats of globalisation toward the labour market so as to enhance their benefits and mitigate their negative effects on people. (International Labour Organisation, 2000:n.p). Yet, as opposed to a physical opponent in the form of management or employers, German unions are presented with a multifaceted, incorporeal opponent, which makes linking organisation to opposition a complex task. In turn, this inhibits effective collective action as German unions fail to identify with an agency that can provide an appropriate target for action. (Kelly, 1997:n.p). In the face of no obvious, physical opponent, German workers may feel that unionism no longer plays an essential role in protecting their interests. (Kelly, 1997:n.p). The result is a decline in union membership.

### **10.2.2 Broad Versus Narrow Interests and Agenda: South Africa and Germany**

Hyman stipulates that modern labour movements have pitched their agenda toward a 'normal' core constituency who lacked the capacity for individual career advancement, but who were capable of

sustained collective action. (Hyman, 1999:n.p). However, this normal agenda is becoming marginalised as atypical employment situations have become increasingly typical. (Hyman, 1999:n.p). The traditional core constituency of trade union membership has dwindled, whilst there has been an expansion at two extremes: those with professional or technical skills who may feel confident of their individual capacity to survive in the labour market and those with no such resources but whose very vulnerability makes effective collective organisation and action difficult to achieve or contemplate. (Hyman, 1999:n.p). This requires that unions adjust their interests and transform their agenda in order to appeal to the broader constituency. (Hyman, 1999:n.p). Achieving this transformation is becoming increasingly urgent. (Hyman, 1999:n.p).

As noted in Chapter 8, South African unions realise that coverage needs to be extended to all workers in South Africa's dual labour market. (Horn, 1997:90; Business Day, 2000g:17). There is a growing awareness that of those actually in employment in the secondary labour market, many remain in dire poverty due to extremely low wages and poor employment standards. (Department of Labour1, n.d:n.p). Although the 1995 Labour Relations Act includes regulations designed to secure minimum wages and employment standards within the employment market, there exist employers who habitually and deliberately violate the law and take advantage of the ignorance and vulnerability of the workers. (Department of Labour1, n.d:n.p; SAPAd, 2000:n.p). The problem thus lies in the implementation of these regulations. (Department of Labour1:n.d:n.p).

In recognising that the secondary labour market remains unprotected, but accounts for a large amount of employment, attempts are being made by unions to broaden their agenda to incorporate this group's interests. (Horn, 1997:90; Masangwane, 1998:59; Baskin, 1996:13). For example, Cosatu has established for domestic workers advice offices which provide legal assistance and education around their rights. (Rees, 1998:53). In addition, the Self Employed Women's Association (SEWA) has been established to protect self-employed women. (Masangwane, 1998:60).

Although Cosatu acknowledges that the secondary labour market requires organisation to avoid an erosion of the working class, and has made small steps to achieve this, the labour movement has not yet mastered these new labour trends by way of extending concrete worker rights to these workers. (September, 1995:n.p; Horn, 1997:90). Nevertheless, according to Hyman, this illustrates, as a minimum, recognition of the fact that atypical work is becoming increasingly typical. (Hyman, 1999:n.p). Thus, by making real efforts to spread their coverage to these underrepresented workers who are in need of union protection, the South African unions will attract increasing membership.

This leads to the impression that the South African labour movement is attempting to adjust their interests and transform their agenda in order to appeal to the broader constituency. (Hyman, 1999:n.p). As opposed to being confined to the issues of wages and working conditions, the interests of Cosatu are extended to those of eliminating cultural inequalities and poverty, and creating in their place a democratic society free of racism, sexism and the exploitation of the working class. (Cosatu, 2000:n.p). With regard to its organisation, Cosatu has expressed its awareness of the dangers of bureaucratisation, and seeks to avoid the pitfalls of such a scenario by emphasising the feature of worker control. (Thobejane, 1996:15).

At first glance, the interest and agenda of the DGB appear extremely broad. However, unlike South Africa in which the secondary labour market is not entirely ignored, German unions are reluctant to accept the idea of a secondary labour market. (DAG Editors, 1997f:8; DAG Editors, 1997e:8; Streeck, 1987:17). Although working in the secondary labour market presents a survival strategy for those whom the formal sector is unable to absorb, it also implies social marginalisation inasmuch as these activities lie beyond the scope of social and legal protection. (International Labour Organisation, 2000:n.p). Part-time work is regarded with suspicion owing to the negative influence it is seen to have on the quality and quantity of full time jobs. (Streeck, 1987:17). Unions feel that such forms of labour present a risk, as the worker has no social rights and no access to social security. (DAG Editors, 1997f:8; DAG Editors, 1997e:8).

This is despite the fact that atypical and part-time employment do in fact offer a great deal of flexibility, and are particularly attractive for women who have to manage the relationship between time spent at home and in employment. (DAG Editors, 1997h:20; Gross, 1998:n.p). Given the hardships would-be working mothers experience in Germany when it comes to a lack of childcare facilities, part-time and home-work are options that offer genuine flexibility of choice. (Hyman, 1999:n.p; Gross, 1998:n.p). Home-working also offers benefits for disabled workers, who could work from the comfort of their own homes. (Hyman, 1999:n.p; DAG Editors, 1997h:20). Yet, as Kelly correctly, notes, "German unions ... devote few resources to organising non-union work places". (Kelly, 1997:n.p).

Hyman argues that this labour market perspective of the 'mass worker' with a standard model of full time employment, firm-specific job security and limited scope for occupational advancement can no longer dictate the central content of bargaining policy. (Hyman, 1999:n.p). Instead, a constructive attitude toward the informal economy is required. This involves the removal of unnecessary regulatory obstacles to informal activities, improved access to credit, skills, technology and other means of raising the productivity and viability of informal activities, as well as the progressive introduction of some minimal forms of labour and social protection. (International Labour Organisation, 2000:n.p). If however, German

unions remain preoccupied with this narrow based type of trade unionism and fail to recognise the variability of interests within the informal sectors that can be represented, the labour market will continue to segment and membership levels will continue to decline. (Kelly, 1997:n.p; Hyman in Munck, 1999:12).

### 10.2.3 Summary and Comparison

The differences between the identity's of South African and German trade unions can be illustrated as follows:

**Table 10.2: A Comparison of South African and German Trade Union Identity.**

<b>Requirements for Securing Membership</b>	<b>South African Trade Unions</b>	<b>German Trade Unions</b>
Opponent	Yes	No
Contemporary Balance of Power	No	Yes
Broad Interests and Agenda	Yes	No

Within their confrontationist contexts, South African and German unions were provided with an opponent in the form of a labour oppressive state. Today, the state is no longer the opponent of the labour movement, and has been replaced by management and employers in South Africa (See Table 10.2). In Germany, the opponent comprises the intangible sectoral and economic shifts brought about by globalisation in Germany. In the face of no real opponent, German unions fail to identify with an agency that can provide an appropriate target for action (See Table 10.2). In the face of no obvious, physical opponent, German workers may feel that unionism no longer plays an essential role in protecting their interests.

An examination of the agenda and interests of South African and German unionism can account for membership growth in South Africa and membership decline in Germany. In recognition of the dual labour market, South African unions have made tentative efforts to broaden their interest and agenda: this serves to attract membership (See Table 10.2). In Germany, despite the recognition that sectoral and economic shifts in the employment market can impact negatively on the labour movement, the interest and agenda of the union movement remain predisposed to the normal employment relationship and the full time employee: this explains the membership decline. (See Table 10.2).



Yet, when it comes to discussing methods of struggle, Trade Union Identity Theory fails to account for South Africa’s success in attracting increasing union membership in today’s labour market in comparison to Germany. A feature of the identity of South African unions is that they remain dependent on traditional methods of struggle (See Table 10.2). This ought to discourage membership, yet this is not the case. In Germany, the identity of the unions is such that methods of struggle have been adapted to those which fit within the contemporary balance of power (See Table 10.2). This ought to serve as a feature which attracts membership, yet the reverse is true.

### 10.3 MOBILISATION THEORY

A difference that exists between South Africa and Germany (apart from their increase and decline in union membership levels) is to be found in their transition from a Confrontationist to a Social Democratic Typology. South African unions adopted the role of a liberation movement which played a fundamental role in implementing a new democratic and labour friendly government in South Africa. (Shilowa, 1997b:73; Tyson, 1996:23; Cosatu, 2000:n.p; Shopsteward Editors, 1995b:n.p). German unions were demolished during the Nazi era and were carefully reconstructed by the Allies in the post World War Two era. (Jackson, 1992:42). The question that arises is whether or not these differing roles played by the union movements in the transition to a Social Democratic Typology is a factor that impacts upon the membership levels of the unions today?

Mobilisation Theory (described in Chapter 3, Section 3.5) can be represented diagrammatically as follows:

**Table 10.3: Mobilisation Theory**

<b>Aspects Required for Mobilisation</b>	<b>Positive Impact on Mobilisation</b>	<b>Negative Impact on Mobilisation</b>
Sense of Illegitimacy	Yes	No
Attribution of Blame	Yes	No
Social Identification	Social Categories of ‘us’ and ‘them’	Social Categories of ‘us’ and ‘them’ do not develop.
Leadership	Promote Group Cohesion	Do not promote Group Cohesion

### 10.3.1 The Transition to a Social Democratic Typology Reconsidered: South Africa and Germany

Until 1979 African unions were debarred from participating in the official industrial relations structure of South Africa. (International Labour Organisation, 1964:29). Their exclusion from the industrial relations system effectively enabled the state to weaken unions to the maximum extent and further exploit the black labour force. (International Labour Organisation, 1964:15). Not only did the labour movement appear to be convinced of the fact that this violated widely shared beliefs and values, but the International Labour Organisation (ILO) supported this sentiment by pointing out that, "... South Africa ... is practising the inhuman policy of Apartheid, which ... by means of legislative, administrative and other measures [is] incompatible with the fundamental rights of man, including freedom from forced labour, freedom of association, and freedom of choice of employment and occupation ... and freedom from discrimination". (International Labour Organisation, 1964:1; Kelly, 1997:n.p).

In reaction to their unjust situation, workers organised into clandestine and semi-clandestine organisations that emphasised grass roots organisation and shopfloor militancy and which in turn attracted increasing support from black workers. (Rosenthal, 1996b:60; Webster, 1985:xii). The ANC and the labour movement expressed their political opposition to the Apartheid state. (Valentine, 1986:24). Workers blamed the Apartheid state for their unhappiness. It can be argued, when adopting Mobilisation Theory, that state implementation of counter-mobilisation procedures, such as banning the ANC and arresting prominent union leaders, served to enhance social identification amongst the working class, and facilitate the identification of the social categories 'us' (the black labour movement) and 'them' (the Apartheid state). (Kelly, 1997:n.p; Valentine, 1986:11; Hawthorne, 1999d:68; Shopsteward Editors, 1995b:n.p; Kelly, 1997:n.p). Social identification and attribution were cemented by way of imposing stricter legislation on black workers, which made the black worker movement more conscious of its rights. (Hawthorne, 1997:72; Svanemyr, 1998:n.p; Kelly, 1997:n.p).

Despite being banned, the leadership of both the ANC and the labour movement proved effective in constructing and maintaining a sense of injustice, and in promoting social cohesion, by the distribution of underground pamphlets that urged workers to unite in mass resistance against the Apartheid Regime. (ANCd, 1968:n.p; Svanemyr, 1998:n.p; Kelly, 1997:n.p). The encouragement of workers to take action against Apartheid resulted in a wave of black worker militancy, culminating in the Soweto Riots. (Shopsteward Editors, 1995b:n.p).

That leaders defended collective action on the part of the labour movement is illustrated by fact that effective mobilisation was achieved in the face of extreme state resistance: as opposed to being 'broken' by the Apartheid state, the growing strength of these organisations, their daily access to rank and file members and their location in strategic sectors of the economy, such as manufacturing, mining and transport industries, allowed them to mobilise effectively around economic aspirations. (Webster, 1985:xi; Valentine, 1986:11; ANCa, 1977:n.p; Kelly, 1997:n.p).

Effective organisation enabled the worker movement to realise that a real opportunity existed for it to imprint its demands on the South African social and political process, thereby supporting Kelly's statement that the workforce not only felt aggrieved, but also felt that a real chance existed for their situation to be changed. (Kelly, 1997:n.p; Hindson in South African Review II, 1984:105). Support for the labour movement's aspirations was demonstrated by a rapid growth of membership. (Shopsteward Editors, 1995b:n.p).

Collective action can hence be explained by the existence of a grievance directed against the Apartheid state. (Klandermans in Rucht, 1991:24). The labour repressive and racist regime created conditions which lead to the labour movement uniting to form a social movement in opposition to Apartheid. (Rucht, 1991:364). The result was a militant, community based unionism whose increasing power fragmented the Apartheid state, thereby bringing about the successful transition to Valenzuela's Social Democratic Typology. (Van der Watt, 1986:56; Silke, 1997:n.p; Learner.org3, n.d:n.p).

In comparison, an evaluation of events taking place in Germany prior to the transition to a social democratic climate reveals a different, and far briefer result. Prior to the coming to power of the National Socialist Dictatorship, the mainstream union movement had become divided in its stance toward communism and national socialism. (Cullingford, 1976:4). In expressing their political distance toward communists and national socialists it can be seen that a sense of illegitimacy did exist between the trade unions and the opponent (the National Socialists and Communists). (SPD, 2000a:n.p; Macridis, 1978:179).

However, the divisions that had come to exist within the union movement indicate that the attribution of blame to a single opponent (the Nazi state) was not possible. (Kelly, 1997:n.p). Instead, the union movement was caught between blaming Communism or National Socialism for their unhappiness. (Kelly, 1997:n.p). By the time the mainstream union movement realised that co-operation between themselves was essential to avoid the onslaught of Nazism, it had been fatally weakened by internal divisions. (SPD,

2000a:n.p; Cullingford, 1976:4). Upon belatedly attempting to resist the National Socialist policies, the trade union movement was no longer able to put up effective resistance and declared neutrality toward Hitler. (Oberschall, 1973:111; Macridis, 1978:179). In place of ongoing resistance was capitulation to the totalitarian regime, and the elimination of the trade union movement. (Bundesministerium für Arbeit und Sozialordnung, 1998:16; Tokunaga in Bergmann & Tokunaga, 1987:26; Sewell, 1988:n.p).

Upon being so quickly and effectively disbanded, the union movement was incapable of developing the attribution of blame into a situation in which the labour movement could socially identify with 'us' (the labour movement) and 'them' (the National Socialists). (Kelly, 1997:n.p). The internal divisions within the labour movement hampered leadership attempts to promote internal cohesion and construct a sense of injustice. (Kelly, 1997:n.p). The implication is that the workers could neither be encouraged to take collective action, nor could leaders effectively defend this action. (Kelly, 1997:n.p). Thus, although the labour movement of Germany was also challenged by a fundamental social force in a conflict in which the general orientations of social lives are at stake, a social movement was prevented from emerging. (Rucht, 1991:364).

After the Second World War, unions were rebuilt under the guidance of the Allies who wanted to ensure a palisade against any repetition of National Socialism or Nazism. (Jackson, 1992:42). In this way, labour leaders became important in the process of democratisation in the new social democratic context after World War Two, but, importantly, played no role in this *during* the transition to a Social Democratic Typology. (Valenzuela in Regini, 1994:91; Jackson, 1992:42). Instead, unionism was re-established as part of the reconstruction process after the Second World War. (Salamon, 1998:194).

### **10.3.2 Mobilisation Theory within a Present Day Context: South Africa and Germany**

As already discussed, workers in South Africa experience a sense of illegitimacy in so far as the current conditions of the labour market are concerned. The sense of illegitimacy was illustrated in the nation wide strike led by Cosatu on the 10 May 2000. (Pretoria News, 2000e:9; Sowetan, 2000j:4).

Unions argue that the economy has not yet created promised jobs and threaten to extend the strike if government and business fail to prevent job losses. (The Mercury, 2000a:8; Business Day, 2000i:6). In response to unions urging government and business to accept their moral responsibility in creating jobs, government and big business argue that they lack the money to create more jobs. (Pretoria News,

2000e:9). This did little to prevent the mass action campaign and the call from workers to create jobs instead of destroying them. (The Mercury, 2000a:8; Pretoria News, 2000e:9).

According to Mobilisation Theory, the fact that Cosatu went ahead with the strike despite management's and government's argument that they lack the money to create more jobs, indicates that the labour movement not only feels aggrieved, but also feels that there is a chance that their situation can be changed. (Kelly, 1997:n.p).

This shared sense of injustice maintains the existence of the labour movement. (Kelly, 1997:n.p). The result is that workers continue to attribute blame for their unhappiness to management and employers. (Kelly, 1997:n.p).

In response, management undermines union efforts at collective action by arguing that no jobs will be created because of strikes: although the job crisis is undeniably severe, strikes are counterproductive and yield the opposite of the desired effect. (The Citizen, 2000a:7; Department of Labour, 1996:n.p). These opposing stances help to reinforce the ideological position of both sides, thereby strengthening social identification by way of affirming the categories of 'us' (the labour force) and 'them' (management and employers). (Kelly, 1997:n.p; Business Day, 2000j:11).

Labour leaders are puissant in maintaining this sense of injustice and promoting cohesion. (Kelly, 1997:n.p). This is reflected by Cosatu leader, Willie Madisha, insisting that the unemployment scourge, negatively impacted upon by retrenchment and the unprecedented liquidation of companies which had reduced workers to helpless spectators, presents a national crisis. (Sowetan, 2000k:6; Business Report, 2000d:25). In addition labour leaders are active in encouraging workers to take action and defend this collective action accordingly. (Kelly, 1997:n.p). This has led to South Africa becoming notorious as a strike prone country that is not conducive to profitable production. (Daily News, 2000a:16).

When looked at from this perspective, it can be seen that Mobilisation Theory fits with South Africa not only in terms of the historical emergence of unions as a social movement, but also within a present day context. Today's unfavourable economic climate enforces the idea of employers and management as opponents of the labour force, and effective mobilisation against these opponents continues to attract increasing membership. (Cosatu, 2000:n.p; Filita, 1997:33,38).

In this way, the strength of South African unions and their ability to attract membership despite the adverse economic climate and effects of globalisation is explained. The role that the unions played as a social movement during Apartheid has been transferred to a present day context. Attribution of blame, social identification and effective leadership has been transferred from the context of opposition to the Apartheid state, to opposition against management and employers today. In much the same way that South African unions were able to attract an increasing membership during the labour unfriendly Apartheid era, they are capable today of mobilising their workforce around adverse economic and sectoral conditions which threaten the labour movement.

Germany is experiencing similar economic and sectoral shifts in the employment market to those which are evident in South Africa. Conflict exists over the issue of social security which supports the unemployed and the poor, and which is contributed to by the employed who feel that the system does little to encourage those concerned to seek employment. (Mayer, 1998:36; Dussman, 1998/1999:46).

However, co-operation and consensus within the union management relationship is focussed upon, thereby leading to a great amount of cohesion between these two groups. (Hassel, 1999:486). It is therefore not surprising that this cohesion grants Germany a low record of industrial disputes. (Hassel, 1999:483). According to Mobilisation Theory, this emphasis on cohesion between management and unions limits social identification on the part of the workers to develop into categories of 'us' (the work force) and 'them' (management) as both are supposed partners in the labour market. (Kelly, 1997:n.p).

This feature of consensus and cohesion impacts negatively on membership growth. (Kelly, 1997:n.p). Effective employee communication and consultation by unions and management in Germany may have resulted in the fact that fewer and fewer employees experience work related grievances that are sufficiently serious to encourage unionism. (Kelly, 1997:n.p). If aggrieved employees believe that they can resolve their problems through discussion with management, their incentive to unionise is diminished. (Kelly, 1997:n.p).

This implies that in Germany, employees are no longer critical of management owing to the emphasis placed on cohesion and consensus. (Kelly, 1997:n.p; Hassel, 1999:483). In addition, the high level of cohesion does not necessitate that union leaders concern themselves with creating a sense of injustice, encouraging or defending collective action. (Kelly, 1997:n.p). In identifying with the employer, workers are less receptive to the argument that management is to blame for their problems. (Kelly, 1997:n.p). The result is a decline in unionism. (Kelly, 1997:n.p).

This has put the leadership of the DGB on defensive, and in recognising that a decline is taking place, they are emphasising the need for cohesion amongst the working class. (DGB, 2000d:n.p). However, according Mobilisation Theory, without the need to attribute blame to an opponent, mobilisation can not take place, and in turn, membership levels will not increase. (Kelly, 1997:n.p). Thus, Mobilisation Theory appears to account for the decline of German union membership in a manner that is independent of the sectoral and economic shifts that are taking place within the labour market.

### 10.3.3 Summary and Comparison

**Table 10.4: A Comparison of the Mobilisation of South African and German Unions**

<b>Aspects Required for Mobilisation</b>	<b>The African Union Movement during Confrontationism (Prior to 1994)</b>	<b>The South African Union Movement in a ‘Social Democratic’ Context. (1994 to now)</b>	<b>The German Union Movement during Confrontationism (Prior to 1933)</b>	<b>The German Union Movement in a ‘Social Democratic’ Context (1990s)</b>
<b>Sense of Illegitimacy</b>	<b>Yes.</b> Felt that the policies of Apartheid were unjust.	<b>Yes.</b> Blame unemployment and job insecurity on flexibility practices and the introduction of new technology.	<b>Yes.</b> Opposed National Socialism.	<b>Yes.</b> Dissatisfaction with aspects of economy: welfare system, unemployment etc.
<b>Attribution of Blame</b>	<b>Yes.</b> Apartheid State.	<b>Yes.</b> Management and Employers.	<b>No.</b> Divided between attributing blame to communism and national socialism.	<b>No.</b> Emphasis on co-operation and consensus between management and employees prevents attributing blame to an opponent.
<b>Social Identification</b>	<b>Yes.</b> Formation of ‘us’ (the African Labour Movement) and ‘them’ (the Apartheid State).	<b>Yes.</b> Formation of ‘us’ (the labour movement) and ‘them’ (management and employers).	<b>No.</b> Trade Unions obliterated Social categories of ‘us’ and ‘them’ thus prevented from forming.	<b>No.</b> Emphasis on co-operation and consensus prevents categories of social identification from forming.
<b>Leadership</b>	<b>Yes.</b> Maintained sense of injustice and encouraged collective action against State despite being underground.	<b>Yes.</b> Actively organise campaigns against job loss and unemployment.	<b>No.</b> Leadership destroyed by National Socialist Regime.	<b>No.</b> Emphasis on co-operation and consensus discourages leaders from maintaining a sense of injustice.

Mobilisation Theory accounts for the continued growth of South African unions within a present day context, just as effectively as it explains their successes during the Apartheid era. As Table 10.4 illustrates, South African unions continue to serve as an anchor for a broad-based social movement that shares similar goals and values. (Jose, 1999:n.p). Consequently, South African unions are able to attract membership despite the adverse economic climate and effects of globalisation in the same way that they were able to attract support during the labour hostile Apartheid era. Attribution of blame, social identification and effective leadership has been transferred from the context of opposition to the Apartheid state, to opposition against management and employers. This renders them just as capable today of creating a sense of social identity amongst and mobilising their workforce around adverse economic and sectoral conditions which threaten the labour movement.

In experiencing similar economic and sectoral shifts in its labour market as those which are taking place in South Africa, conflict is arising in the German labour market between employed, unemployed and peripheral workers. (Hyman in Regini, 1994:152). However, emphasis on consensus and co-operation between unions and management means that German employees are less critical of management and so are less receptive to the argument that management is to blame for their problems. (Kelly, 1997:n.p; Kelly, 1997:n.p; Hassel, 1999:486). The result is a low level of industrial disputes which is indicative of the emphasis placed on cohesion between management and unions, and which limits social identification on the part of the workers to develop into categories of 'us' (the work force) and 'them' (management) as both are supposed partners in the labour market. (Kelly, 1997:n.p; Hassel, 1999:483). In addition, the fixed idea of a social partnership between management and employees leaves little room for union leaders to create a sense of injustice or encourage and defend collective action. (Kelly, 1997:n.p). This leaves small incentive to mobilise which impacts negatively on membership growth. (Kelly, 1997:n.p).

#### **10.4 CONCLUSION**

The aim of this chapter is to establish whether the roles adopted by the South African and German labour movements during their confrontation with labour repressive regimes impacts upon their ability to attract union membership today, despite the constraints imposed upon unions by transitions between upswings and downswings in the economy, and prevailing economic and structural uncertainties.

This chapter indicates the way in which trade union identity impacts upon a union's ability to attract membership. However, although proving interesting and in some instances valid when accounting for the



membership increase and decline in South African and German unions, the method of action of both country's unions does not fit with the rise and fall of membership that both countries are experiencing.

In applying Mobilisation Theory to the South African and German union movements, it was found that the confrontationalist context in South Africa prior to 1994 resulted in unions playing a social movement role which makes for a relatively strong and vibrant organisational culture with a degree of underlying militancy. This enables the South African unions to continue to successfully attract membership despite the constraints imposed on unions by prevailing economic realities.

In Germany, totalitarian rule led to the destruction of the labour movement. In the interests of stability during the post World War Two period, the high degree of protection and emphasis on co-operation and consensus within the unions resulted in a stable and numerically strong, but less dynamic union movement than that in South Africa. This leads to a lack of union innovation in response to the changing environment which makes it harder to continue to attract membership and support during times of sectoral shifts and economic uncertainty in the employment market. (Frege, 1999:279).

It can therefore be seen that the role played by South African and German unions during the transition from a Confrontationalist to a Social Democratic climate does impact upon their ability to attract membership today irrespective of the transition between upswings and downswings in the economy, and prevailing economic and structural uncertainties. In terms of the success of South African unions in adapting their agenda and interests to the present day context so as to continue to attract membership, Hyman notes that, "More established unions could well learn from the experience of newer union movements". (Hyman, 1999:n.p).

## CHAPTER 11

# FINDINGS AND CONCLUSION

### 11.1 INTRODUCTION

As stated at the outset, this dissertation aims to explore the long-term trends in the union membership of South Africa and Germany. From a comparative perspective this dissertation has explored whether, as Kelly suggests, the fortunes of unions are ultimately a product of the long waves of an economic cycle, or if other factors, such as variations in union/state relations, changes in the forms of work organisation and shifts in the employment market, impact upon union membership and mobilisation. It is hoped that the comparison of a transitional and an advanced economy may shed new light on the causes of union growth and decline, and the impact of specific social, legal and cultural variables thereon.

In light of Skopol's argument that social studies ought to be grounded in historical experience so as to make sense out of specific social events that occur today, this research has employed a comparative historical analysis in order to reach conclusions by way of the juxtaposition of a limited and selected number of social events or trends. (Skopol, 1984a:1; Skopol, 1984b:378).

The utilisation of Skopol's method of difference entailed isolating a number of variables, within both South Africa and Germany, and evaluating them across a chosen time period. (Skopol, 1984b:378, 379, 381). In this instance, the political regimes into which unions were inserted at their point of development, the impact of economic recession, the occupational and sectoral shifts occurring in the labour market and the effects of globalisation comprise the variables examined within both countries. The findings reveal to a great extent the successes of the South African labour movement, and the ways in which South African unions are able to maintain their status as one of the world's fastest growing labour movements at a time when most union movements are experiencing a decline in membership. Above all, the findings highlight the extraordinary vitality of the South African labour movement, in contrast to the experiences of an advanced society, such as Germany.

The findings of this dissertation can be represented diagrammatically as follows:

**Table 11.1: Findings on the Variables that Impact on Union Strength in South Africa and Germany**

POSSIBLE INDEPENDENT VARIABLES			DEPENDENT VARIABLE Mobilisation/Aggregation <sup>59</sup> Decline/Disaggregation <sup>60</sup>	
	South Africa	Germany	South Africa	Germany
<b>SECTION 1</b> Variations in Political Regimes (1933 – 2000)	Confrontationism with Apartheid (1948 – 1994)	Confrontationism with National Socialism (1933 – 1945)	M/A	---
<b>SECTION 1</b> Transitions in the Economic Cycle (1933 – 2000)	1945: Transition to Upswing	1939 – 1945: Transition to Upswing	M/A	---
	1970: Transition to downswing	1967 – 1975: Transition to Downswing	M/A	M/A
	2000: Transition to upswing	2000: Transition to Upswing	?	?
<b>SECTION 2</b> Variations in Socio-Economic Factors (1990 – 2000)	Recession	Recession	A	D
	Poverty	Poverty	A	D
	Unemployment	Unemployment	A	D
<b>SECTION 3</b> Variations in the Mode of Production and Sectoral Shifts in the Employment Market (1990 – 2000)	Racial Fordism (1948 – 1994)	Fordism (1945 – 1990s)	A	A
	Rise of the Service Sector	Rise of the Service Sector	D	D
	Emergence of Atypical Employment	Emergence of Atypical Employment	D	D
	Demand for Higher Skills	Demand for Higher Skills	A	D
	Introduction of New Technology	Introduction of New Technology	A	D
<b>SECTION 4</b> Trade Union Identity (1990 – 2000)	Opponent	Opponent	A	D
	Contemporary Balance of Power	Contemporary Balance of Power	D	A
	Broad Interests and Agenda	Broad Interests and Agenda	A	D
<b>SECTION 4</b> Aspects required for Mobilisation (1990 – 2000)	Sense of Illegitimacy	Sense of Illegitimacy	A	A
	Attribution of Blame	Attribution of Blame	A	D
	Social Identification	Social Identification	A	D
	Leadership	Leadership	A	D

<sup>59</sup> M/A = Mobilisation / Aggregation

<sup>60</sup> D = Decline / Disaggregation

## **11.2 FINDINGS ON THE IMPACT OF POLITICAL VARIABLES ON SOUTH AFRICAN AND GERMAN UNIONISM**

Section 1 looks at those factors which, in the past, have affected union growth and decline. Chapters 4 and 5 illustrate the way in which both the South African and German union movements emerged within a Confrontationist context, under the duress of labour repressive regimes. This resulted in both labour movements adopting a social and political orientation. During this process, important links with labour sympathetic parties were formed. However, an important difference that exists between the union movement's of both countries, is that whilst South African unions mobilised against the Apartheid Regime in the 1980s, the Nazi regime disbanded the German union movement prior to World War Two.

Within the 'social democratic' context of South Africa and Germany, those political parties that maintained links with the labour movements during the confrontationist climate comprise the government of both countries today. Consequently, the body of legislation governing labour relations in both countries is relatively labour friendly. Apart from being labour sympathetic, both the African National Congress (ANC) and the German Social Democratic Party (SPD) follow moderate and reformist policies based on eliminating economic inequalities.

Both South Africa and Germany house significant union confederations, The Congress of South African Trade Unions (Cosatu) and the German Trade Union Federation (DGB) respectively. According to Valenzuela, the significant union confederations within a Social Democratic Typology ought to have a political orientation that conforms to a moderate, socialist viewpoint with a reformist style of action. Although Cosatu's stance is not wholly moderate and reformist, in practice this is the trajectory that has been followed. The DGB stipulates that the implementation of social and economic reforms will achieve a society based on security, equality, social justice and peace for all in Germany. Both confederations call for a society free of racism, extremism and inequality.

An important commonality that exists between South Africa and Germany is that the political contexts within the confrontationist era of both countries have played a role in formulating the current character, structure and identity of their contemporary labour movements. However, despite this shared characteristic, the analysis of the political contexts in which the union movements emerged is insufficient to explain why South African unions are continuing to attract membership, whilst German unions are suffering a loss of membership.

In focussing on the effect of political variations on the mobilisation of unions, this section concludes that in most instances, Kelly's argument that union mobilisation is linked to transitions in the economic cycle is correct (See Table 11.1). However, in the case of both countries, the variable of changes in the political regime and in union/state relations have also played a role in union mobilisation. In South Africa the high degree of mobilisation that took place during the 1980s is linked to the period of high confrontationism between the Apartheid Regime and the African labour movement at this time (See Table 11.1). Similarly the lack of German union mobilisation during the transition between 1939 – 1945 is linked to the repression of the National Socialist Regime (See Table 11.1). Thus, political variables such as variations in political regimes and union/state relations also play a role in the mobilisation of unions.

### **11.3 FINDINGS ON THE IMPACT OF SOCIO-ECONOMIC VARIABLES ON SOUTH AFRICAN AND GERMAN UNIONISM**

Section 2 examines the socio-economic challenges that may impact on union strength today. Chapters 6 and 7 illustrate the way in which recession, poverty and unemployment and recession comprise three factors that can paralyse the efforts of contemporary labour movements. Presently, each of these factors encourage an aggregation of the South African labour movement, yet impact upon the decline of the German labour movement. (See Table 11.1)

South African unions have proved historically resilient to the effects of recession, and enjoyed an increase in membership during the recession of the 1980s. Even within the present day context of economic uncertainty, (in particular poverty and unemployment), unions continue to enjoy a growth in their membership levels, although this trend is neither indefinite nor irreversible.

Over a third of all South Africans are poor and can be considered labour market outsiders. Although extended networks of support may provide some linkage between labour market outsiders and union members, the unions have not yet succeeded in their objective of forging alliances with community based organisations that encompass such groupings. This state of affairs has the potential to create divisions that could extend from the collective bargaining arena into the broader political arena. This is owing to the fact that, if left unattended, the poor's social discontent has the potential to formulate a new urban social movement that may react against the current union and government programmes.

South Africa's high unemployment rate also has the potential to jeopardise social cohesion. The vast income gaps between the have's and have-not's attribute to the spiralling crime rates within the country,

which in turn do much to deter foreign long-term investment required for economic growth. The threat of unemployment on the employed labour force is reflected by union activities such as Cosatu's recent nation wide strike, attended by militant and insecure workers, who called for an end to job shedding as a result of company restructuring.

South African union and government moves to address poverty and unemployment include the creation of housing schemes, food shortage programmes, recruitment strategies aimed at under-represented workers and the introduction of the 1998 Employment Equity Act to create equal opportunities in employment. At present these initiatives and their promised outcomes have aggregated the union movement as reflected in increasing membership levels. However for this large, disconsolate group to remain content with the union agenda, delivery on these initiatives along with the desired outcomes is required - sooner rather than later.

In contrast to South Africa, German unions experienced a decline in membership during the recession of the 1980s. Economic adversity continues today owing to the strain of reunification on the economy, the question of granting dual citizenship to 4 million foreigners living in Germany and increasing unemployment. These factors, as well as an encouraged dependence on the welfare system, tight labour market regulation and high basic wages, go hand in hand with a decline in union membership. For the DGB, these factors are the basis for widening divisions between core, peripheral and unemployed workers and have resulted in the dissolution of social cohesion within its membership. This is reflected by membership decline. To overcome this trend of disaggregation, unions must review their existing agenda and examine ways of restructuring the welfare system so as to incorporate the interests of everyone in the labour market in a more satisfactory manner.

The section concludes that differing union responses to the socio-economic elements of recessive climates in the 1990s can account for the simultaneous growth of the South African labour movement and decline of the German labour movement. Thus, the same socio-economic factors of recession comprise a variable that aggregates South African unions, whilst instigating a decline of German unions (See Table 11.1). This illustrates that the growth and decline of labour movements is not only linked to transitions in the long waves of the economy (as Kelly argues). Union growth and decline is also determined by the reaction of unions to recessive socio-economic factors.

#### **11.4 FINDINGS ON THE IMPACT OF VARIATIONS IN THE MODE OF PRODUCTION AND SECTORAL SHIFTS IN THE EMPLOYMENT MARKET ON SOUTH AFRICAN AND GERMAN UNIONISM**

Section 3 focuses on the challenges of the rising service sector, the emergence of atypical employment and global forces facing unions today. Section 3 (Chapters 8 and 9) illustrates that these processes, which have left neither South Africa nor Germany untouched, have placed considerable pressures on individual states to compete within the world markets.

Isolation from global events prior to 1994 has led to an increased sense of urgency in reorganising not only South African workplaces, but also the larger South African society, in ways that will facilitate global competitiveness. However, the internationalisation of the labour market is not taking place without potentially adverse effects on the union movement.

The expansion of the service sector has resulted in women, a group traditionally difficult to organise, comprising an increasing sector of the labour force. Atypical employment is augmenting and giving rise to an ever expanding dual labour force, in which the secondary sector remains under-paid, poorly regulated and under-organised.

South African unions have expressed a cautious recognition of the dual labour market, and attempts have been made to grant coverage to these workers. The 1995 Labour Relations Act includes regulations designed to secure minimum wages and employment standards for all workers within South Africa's labour market. Yet, the problem proves to be one of implementing these regulations in such a way that employees in all sectors of the labour market can benefit from them. Thus, South African unions have not yet mastered a way of extending rights to these workers. Urgency is required to master these processes given the fact that firstly, these unprotected sectors of the labour force are becoming increasingly typical, and secondly, the informal sector has the potential to fragment the South African labour movement by organising social movements that are antagonist to trade unions. South African unions need to search for a way to extend their agenda so as to incorporate an employment sector that generates workers who are removed from the outlook and values of the core South African labour movement.

Global pressures have resulted in the restructuring of industries in South Africa and this has brought about the demand for more highly skilled workers and the introduction of new technology. Technology has evoked a militant response from workers who suffer job insecurity and fear job loss. To address

these issues, unions have placed increased emphasis on training to upgrade the skills of the workforce so that they are compatible with the category of skill demand. South African unions demand that adequate training be provided in such a way that it ensures the employment of workers displaced by restructuring. Chapter 8 demonstrates that in organising workers around such demands, the adverse effects of globalisation, (namely, the shift in demand to highly skilled workers, the introduction of new technology, and the restructuring of companies which leads to job-shedding and retrenchment), are aggregating the union movement. Again, what is required is delivery on these issues so as to ensure that they do not lead to the eventual fragmentation of the labour movement.

In Germany, the same global pressures are acting as a source of division within the German labour movement, and as an obstacle to effective, collective organisation.

Female employment in the expanding service sector has increased although not to the same extent as that experienced in South Africa. Atypical employment has also not increased to the same extent as in South Africa as German unions remain critical of unprotected employment that offers no rights or access to social security. Yet, given the existing high levels of unemployment, part-time and atypical employment offer an alternative to unemployment, and are particularly suitable for mothers who lack child care facilities that would enable them to work full-time, as well as disabled employees who would have the opportunity to work from their own homes.

Nevertheless, union agenda in Germany remains geared toward the 'normal' trade union member: a full-time male employee. Although the DGB has expressed the desire to access the underrepresented as well as those operating in union free domains, the general reluctance to extend coverage to these areas of employment and to accept the increasing segmentation of the labour market, denies German unions potential membership. Until this is reversed, the emergence of flexible, atypical forms of employment will continue to act against the unions by adding to the segmentation of the labour market.

In recognising that the labour market today requires adjustable skills, German unions continue to support the system of vocational training despite the fact that training does not guarantee employment. Insecurity arising from retrenchments is not as widespread as in South Africa owing to co-determination laws which block such changes from taking place. To quote Hyman, "Effective representative systems have become the privilege of a segment of the workforce that has gained, or at least emerged relatively unscathed, from the process of restructuring of work and production". (Hyman, 1997:325).



However, machinery is being used to replace human labour, which adds to the unemployment problem, and which in turn, places further strain on the contentious social security system. In light of the ongoing process of world-wide economic and industrial restructuring, German unions would do well to reassess the role and significance of labour standards. They also ought to make the effort to establish union membership in areas other than the traditional manufacturing and public sector.

This section concludes that in addition to transitions between upswings and downswings in the economy, variations in the mode of production and sectoral changes in the employment market comprise variables that impact upon the strength or decline of union movements. This section also reveals that owing to the changes necessitated by globalisation, South Africa as a transitional economy, and German as a mature economy, are encountering similar changes to their modes of production and employment markets. However, whilst it is clear that changes in the mode of production and shifts in the employment market can impact positively or negatively upon union strength, this chapter also illustrates that these factors alone can not account for the current strength of South African unionism and the decline of German unionism (See Table 11.1).

#### **11.5 FINDINGS ON THE IMPACT OF TRADE UNION IDENTITY ON THE ABILITY TO SECURE FURTHER MEMBERSHIP FOR SOUTH AFRICAN AND GERMAN UNIONISM**

Section 4 establishes a number of similarities between South Africa's and Germany's union movements with the help of Trade Union Identity Theory. Firstly, prior to the transition to a Social Democratic Typology, the opponent of both labour movements was the labour repressive state. Secondly, the present structure, programmes and principles of Cosatu and the DGB have been shaped by the political environment prevalent during the Confrontationist era. Thirdly, a new opponent to the unions exists in both countries today, although the nature of this opponent differs between South Africa and Germany. In South Africa, the Apartheid state as opponent to the union movement has been replaced by management and employers in South Africa (See Table 11.1). In Germany, the trade union opponent embodied by the pre-World War Two National Socialist Regime has been replaced by imperceptible sectoral and economic shifts within the labour market brought about by the processes of globalisation (See Table 11.1).

The recognition by Cosatu of the dual labour market and their attempt to provide coverage to this sector, indicates a broadening of agenda to one that can incorporate the interests of the secondary labour force so as to avoid the disaggregation of the labour force. In this way, unions continue to play an important role in the South African labour movement, and membership increases accordingly (See Table 11.1).

In Germany, unions have made no effort to extend their agenda to incorporate the interests of part-time and atypical employment, despite the fact that these forms of employment are increasing in prevalence. Instead, the interests and agenda of the union movement remain predisposed to the normal employment relationship and the full-time employee (See Table 11.1). This impacts negatively upon membership numbers. German unions would do well to recognise altered expectations and aspirations on the part of actual and potential members brought about by increasing labour market segmentation. In doing so, an agenda can be drawn up that unites rather than divides.

Co-determination in the workplace ensures that German unions adopt a co-operative approach to collective bargaining. In contrast, Cosatu still tends to rely on traditional methods of struggle, such as militant strike action, despite its unsuitability in dealing with the balance of power in contemporary employment relationships. Over reliance on traditional methods of struggle may result in the inability of Cosatu to solve contemporary workplace disputes that require a more flexible approach to problem solving. Should this prove to be the case, South African unions can expect a decline in their membership levels (See Table 11.1).

To conclude, the identity of trade unions is another variable (other than transitions between downswings and upswings in the economy) that can impact upon union strength and the ability of unions to secure membership within a present day context. Yet, although Trade Union Identity Theory sheds light on the ways in which the identities of both union movements serve to attract and discourage an increase in membership, an examination of trade union identity alone can not satisfactorily account for the growth of membership in South Africa and the membership decline in Germany.

## **11.6 FINDINGS ON MOBILISATION STRATEGIES AND THEIR ABILITY TO SECURE FURTHER MEMBERSHIP FOR SOUTH AFRICAN AND GERMAN UNIONS**

The application of Mobilisation theory (in Section 4), as advocated by authors such as Tilly (1978), McAdam (1988) and Gamson (1992, 1995) satisfactorily accounts for the simultaneous rise in membership in South Africa and decline in membership in Germany, despite the fact that both countries are experiencing similar economic hardships, and sectoral and economic shifts in their employment market.

The South African labour movement emerged from the confrontationalist Apartheid context as a successful social movement that played a role in implementing a new democratic system of government. During

Apartheid, a sense of illegitimacy was experienced by the workforce owing to the racist and labour oppressive policies of Apartheid. Social identification amongst the labour force was enhanced by their blaming the Apartheid state for their unhappiness, which reinforced the categories of 'us' (the labour movement) and 'them' (the Apartheid state). Encouragement by leaders to take action against the state maintained a cohesive labour movement and helped to support the notion that problems at hand could be dealt with. The result was a growth in union membership and support.

Table 11.1 illustrates that within a present day context, South African employees continue to experience a sense of illegitimacy due to job losses resulting from company restructuring. Blame for retrenchments and increasing job insecurity are attributed to these managerial measures. Management and employers hence embody the opponent of the work force. The sense of illegitimacy experienced by the labour force is reflected in labour unrest. The shared sense of injustice maintains the formation of the labour movement and reinforces social identification by affirming the categories of 'us' (the labour movement) and 'them' (management and employers). This assists with promoting solidarity amongst workers in different sectors and occupational groups. Leaders maintain this sense of injustice and promote cohesion by encouraging the workforce to resist the agenda of "Big Business". In addition, leaders both promote and defend collective action. In this way, effective mobilisation against a contemporary opponent enables the South African unions to attract increasing membership today despite adverse economic and sectoral shifts within the employment market, in much the same as they did during the Apartheid era.

German unions did not play a social movement role during the transition from a confrontationist to a social democratic context. Instead they were destroyed by the National Socialist Dictatorship prior to World War Two. The reconstruction of the German labour movement after World War Two took place in a context that was designed to promote consensus. The Allies carefully rebuilt unions so as to prevent any repetition of Nazism that might have led to a relapse of the bitter conflicts that shook the German society in the 1930s. The different social democratic context after 1945 led the German labour movement to finally abandon all vestiges of a social movement role in return for incorporation into the new system.

Table 11.1 indicates that continued emphasis today on co-operation and cohesion within the context of labour relations has resulted in the workforce adopting a less critical approach to management, and workers do not attribute blame to management for the adverse economic and sectoral shifts taking place in the employment market. This restricts social identification on the part of the workers, and hinders the development of the categories 'us' (the labour force) and 'them' (management). Co-operation and consensus create little need for leaders to encourage and defend collective action, and in turn this is

reflected by low levels of strike action. Thus, in spite of the adverse consequences for the labour force that the current employment climate entails, little incentive exists to mobilise. This impacts negatively on membership growth.

## **11.7 CONCLUSION**

Three overall conclusions are drawn from this research. The first conclusion is that strong, confrontational unions and weaker and more compliant unions are capable of engendering successful adjustment to the adverse changes taking place in the employment market, if they prove willing to act both as vehicles for the defence and advances of narrow interests and as cultivators of more general interests. (Contarino, 1998:37; Hyman, 1997:326). The challenge for unions today is to represent all worker interests in a contemporary labour market characterised by divergent sectoral and occupational shifts in employment.

To do this, unions need to adapt their agenda to the changing nature of the employment market in such a way that employment in the informal economy, which lies beyond the scope of any form of social or legal protection, is recognised. In continuing to neglect those constituencies that comprise the informal labour market, unions are likely to be architects of their own downfall and run the risk of being replaced by other unions or new expressions of the workforce's latent collectivism. (Boxall & Haynes, 1997:570). By operating in the interests of all who work, and not merely those with permanent contracts, unions will increase their legitimacy and appeal.

Secondly, the role played by South African and German unions during the transition from a Confrontationist to a 'Social Democratic' context impacts upon their ability to attract membership within a labour friendly environment today. Social movement unionism in South Africa has resulted in a vibrant labour movement with a degree of underlying militancy that continues to successfully attract membership despite the constraints imposed upon unions by prevailing economic uncertainties. In Germany, emphasis on co-operation and consensus as well as a high degree of legal protection has resulted in a numerically strong, but less dynamic labour movement than that which exists in South Africa. The lack of innovation displayed by German unions in response to the sectoral shifts that are taking place in the employment market results in a declining membership.

Finally, the fortunes of unions are not, as Kelly suggests, purely a product of economic cycles. The experiences of the African and German trade union movement indicate that mobilisation at the point of a transition between an upswing and downswing in the economy is likely. In addition, it can be seen that

economic factors which result in workers blaming managers for their problems can indeed result in the mobilisation of union movements. This is illustrated by the mobilisation of South African unions today over the issues of job-shedding and high levels of unemployment. Furthermore, the shift toward more flexible forms of production have resulted in mobilisation by South African unions against the exigencies of flexibility owing to job insecurity and the fear of unemployment.

Yet, this study also illustrates that political climates can cause mobilisation. This is illustrated by the inability of the German union movement to mobilise at the point of a transition to an upswing in the economy between 1939 and 1945 owing to National Socialism. Furthermore, mobilisation of the African trade unions against Apartheid during the 1980s clearly went beyond problems of an economic nature. Despite the labour repressive legislation, workers banded together to form a social movement pitted against the politics of the Apartheid state. This implies that mobilisation is not only activated by the economic dissatisfaction of a union movement. A possible area of future research could therefore look more closely at the differing causes of mobilisation. Hence, whilst this study highlights the complexity of mobilisation, what is required is a more detailed study of mobilisation that incorporates a quantitative and qualitative approach. Such a study, however, goes beyond the scope of this research.

The above two conclusions, which link mobilisation to economic *and* political forces, and which link social movement unionism to membership growth within a contemporary climate, illustrate that, "Economic forces may serve as a base from which to begin an analysis of union growth, but the impact of social and political forces must be incorporated to complete it". (Schnabel, 1987:15).

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